

IC 27-1-5

Chapter 5. Classification of Insurance

IC 27-1-5-1

Authority to write one or more kinds of insurance; restrictions on assessment plan companies; classes of insurance

Sec. 1. A company, including a foreign or alien company authorized to transact business in Indiana, may make all or any one (1) or more of the kinds of insurance and reinsurance comprised in any one (1) of the following classes, subject to the provisions of IC 27-1. However, insurance on the assessment plan is limited to the making of insurance on the lives of persons and against disability from disease, bodily injury or death by accident.

CLASS 1. INSURANCE APPERTAINING TO PERSONS ONLY:

(a) To insure the lives of persons, including insurance against permanent mental or physical disability resulting from accident or disease, or against accidental death combined with a policy for life insurance, and to grant, purchase or dispose of annuities;

(b) To insure against bodily injury or death by accident and against disablement resulting from sickness and every insurance appertaining thereto, including contracts between an insurer and policyholder providing for the indemnification of the policyholder (or the other party) obligated to pay benefits resulting from bodily injury, death by accident, or disablement from sickness in accordance with the provisions of a benefit plan; however, for purposes of Class 2(1) of this section, this provision does not apply;

(c) Within the meaning of "Insurance Appertaining to Persons Only," generally described in Class 1 of this section, are to be included, among other things:

(1) contracts providing for immediate or future life insurance and/or annuity benefits, fundable and/or computable as to cost or payment or both; and

(2) contracts providing for insurance against bodily injury or sickness, a portion of which may be funded;

out of or on the basis of assets in a segregated investment account; the assets being those received by the company from or in relation to contributions, premiums or considerations received by it under such contracts. The establishment of such account shall in no way affect the company's absolute ownership of the investment items to which the account from time to time pertains. A company issuing contracts of the nature described may as to them establish one (1) or more segregated accounts, dependent upon the company's plan of operation.

A segregated investment account established as contemplated in this paragraph (c) shall not be chargeable with liabilities arising out of any other business the company may conduct and which has no specific relation to or dependence upon such account. Any surplus or deficit which may arise in any such segregated investment account by virtue of any guarantee by the company of the value of the assets

allocated to the account, their investment or income, or mortality experience shall be adjusted by withdrawals from or additions to such account so that the assets of such account shall always equal the assets required to satisfy all liabilities arising under contracts fundable by such account.

CLASS 2.

(a) To insure any persons against bodily injury, disablement or death resulting from accident and against disablement resulting from disease and every insurance appertaining thereto;

(b) To insure against loss or damage resulting from accident to, or injury sustained by, an employee or other person for which accident or injury the insured is liable;

(c) To insure against loss or damage by burglary, theft or housebreaking;

(d) To insure glass, its fittings or lettering thereon, against breakage or damage;

(e) To insure against loss from injury to persons or property which results accidentally from steam-boilers, elevators, electrical devices, engines and all machinery and appliances used in connection therewith or operated thereby; and to make inspection of and issue certificates of inspection upon such boilers, elevators, electrical devices, engines, machinery and appliances;

(f) To insure against any loss, expense and/or liability resulting from the ownership, maintenance, use and/or operation of any automobile or other motor vehicle, including complete line coverage on automobiles or other motor vehicles;

(g) To insure against loss or damage by water to any goods or premises arising from the breakage or leakage of sprinklers and/or water-pipes;

(h) To insure against any loss or damage resulting from accident to or injury suffered by any person, for which loss or damage the insured is liable; excepting employer's liability insurance as authorized under subsection (b) of Class 2 of this section;

(i) To insure persons, associations or corporations against loss or damage by reason of the giving or extending of credit;

(j) To insure against loss or damage on account of encumbrances upon or defects in the title to real estate and against loss by reason of the nonpayment of the principal or interest of bonds, mortgages or other evidences of indebtedness;

(k) To become surety or guarantor for any person, partnership or corporation in any position or place of trust or as custodian of money or property, public or private; to become a surety or guarantor for the performances by any person, copartnership or corporation of any lawful obligation, undertaking, agreement or contract of any kind, except contracts or policies of insurance, to become surety or guarantor for the performance of insurance contracts where surety bonds are required by states or municipalities. The business covered by this subsection (k) shall be considered as fidelity and surety obligations and construed as such regardless of any other classification contained in this chapter to the contrary;

(l) To insure against any other casualty or insurance risk specified in the articles of incorporation which lawfully may be made the subject of insurance and for which specific provision is not made in this chapter.

(m) To insure against legal expenses, such as attorneys fees, court costs, witness fees and incidental expenses incurred in connection with the use of the professional services of attorneys at law, in consideration of a specified payment for an interval of time, regardless of whether payment is made by the beneficiaries individually or by a third person for them, so that the total cost incurred by assuming the obligation is spread directly or indirectly among the group, except those expenses resulting from the following:

(1) Retainer contracts made with a single client with the fee based on an estimate of the nature and the amount of services that will be provided to that client, and similar contracts made with a group of clients involved in the same or closely related legal matters (such as class actions).

(2) Plans providing no benefits other than a limited amount of consultation and advice on simple matters either alone or in combination with referral services or the promise of fee discounts for other matters.

(3) Plans providing limited benefits on simple legal matters on a voluntary and informal basis, not involving a legally binding promise, in the context of an employment or educational or similar relationship.

(4) Legal services provided by unions or employee associations to its members in matters solely relating to employment or occupation, and provided, further, that nothing in this chapter shall prohibit group legal services of any other kind.

(5) Payment of fines, penalties, judgments or assessments.

CLASS 3.

(a) To make insurance on buildings and personal property of every description against loss or damage, including loss of use or occupancy, caused by fire, smoke or smudge, lightning or other electrical disturbance, earthquake, windstorm, cyclone, tornado, tempest, hail, frost or snow, ice, sleet, weather or climatic conditions, including excess or deficiency of moisture, flood, rain or drought, rising of the waters of the ocean, or its tributaries, bombardment, invasion, insurrection, riot, civil war or commotion, military or usurped power, and by explosion, whether fire ensues or not, except explosion of steam-boilers;

(b) To insure against loss or damage from any cause, to crops or farm products and loss of rental value of land used in producing such crops or products;

(c) To insure against loss or damage by water or other fluid to any goods or premises arising from the breakage or leakage of sprinklers, pumps, or other apparatus erected for extinguishing fires or of other conduits or containers or by water entering through leaks or openings in buildings and/or water-pipes, and against accidental injury to such

sprinklers, pumps, or other apparatus, conduits, containers or water-pipes;

(d) To insure vessels, boats, cargoes, goods, merchandise, freight, specie, bullion, jewels, profits, commissions, bank notes, bills of exchange, other evidences of debt, bottomry and respondentia interests, and other property against loss or damage by any or all of the risks of lake, river, canal and inland navigation and transportation, and other insurances appertaining to or connected with marine risks, including complete line coverage automobile insurance, and also insurance on any other property or risk, or the use thereof, by reason of any contingency unless the granting of such insurance is contrary to public policy. However, such companies may not grant or make insurance against:

- (1) losses arising from explosion of steam boilers;
- (2) losses arising from breakage of plate or other glass, except when caused by fire, wind, or hail storm, and except when the loss occurs to glass which is a part of any dwelling house;
- (3) risks of the classes commonly known as fidelity insurance and surety bonds;
- (4) risks of the classes commonly known as burglary or theft insurance, except as above specifically permitted, and except for the risks to any dwelling house; and
- (5) the risk of legal liability by reason of bodily injury to the person except as such liability may result from the ownership, maintenance, use or operation of an automobile.

(Formerly: Acts 1935, c.162, s.59; Acts 1957, c.265, s.1; Acts 1959, c.87, s.1; Acts 1961, c.138, s.2.) As amended by Acts 1978, P.L.129, SEC.1; Acts 1982, P.L.160, SEC.1; P.L.260-1983, SEC.5.

IC 27-1-5-2

Management of segregated investment account

Sec. 2. Notwithstanding any other provisions of this article, any company which has established or establishes on or after March 8, 1935, a segregated investment account of assets as authorized in Class 1(c) of section 1 of this chapter may provide that such segregated investment account of assets shall be managed by a committee, board, or similarly designated body, the members of which need not be otherwise affiliated with such company or its board of directors and the members of which may be elected solely by the owners of the contracts issued and outstanding under such account, and may further provide that each contract owner under such account shall have the right, with respect to the election of members of such committee, board, or body and with respect to other matters pertaining only to such account, to vote a number of votes proportionate to the value of the contract owner's interest in the account in the manner provided by such rules as may be adopted by such committee, board, or body.

(Formerly: Acts 1935, c.162, s.59a; Acts 1967, c.127, s.6.) As amended by P.L.252-1985, SEC.13.

IC 27-1-5-3**"Property" and "property interests" defined**

Sec. 3. "Property" and "property interests", as used in section 1 of this chapter, shall include real and personal property, chattels real, currency, coin, bank notes, bullion, postage or revenue stamps, express, postal, pension or bank money orders, bonds, debentures, checks, coupons, demand or time drafts, bills of exchange, acceptances, promissory notes, certificates of deposit, certificates of stock, warehouse receipts, bills of lading, and all other choses in action.

(Formerly: Acts 1935, c.162, s.60.) As amended by P.L.252-1985, SEC.14.

IC 27-1-5-4**Repealed**

(Repealed by P.L.255-1995, SEC.15.)