

### **IC 27-5.1-3**

#### **Chapter 3. Standard Farm Mutual Insurance Companies**

### **IC 27-5.1-3-1**

#### **Standard company; supplementation of chapter; limitation on types of insurance provided**

Sec. 1. (a) This chapter supplements the requirements set forth for a standard company in IC 27-5.1-2.

(b) A standard company may not insure a policyholder of the farm mutual insurance company:

- (1) against loss to a motor vehicle owned by the policyholder from peril;
- (2) against liability resulting from the use of a motor vehicle owned by the policyholder;
- (3) for property loss in connection with a specific loan or other credit transaction; or
- (4) for personal, commercial, and farm liability.

*As added by P.L.129-2003, SEC.8.*

### **IC 27-5.1-3-2**

#### **Powers; kinds of insurance coverage**

Sec. 2. A standard company that is issued a certificate of authority under this article may:

- (1) perform the business of insurance on:
  - (A) an assessable;
  - (B) a mutual; and
  - (C) a nonprofit;basis;
- (2) insure the property of policyholders of the standard company against loss or damage that is caused by:
  - (A) fire;
  - (B) windstorm;
  - (C) causes specified under an extended coverage provision; and
  - (D) other perils that are not specifically excluded in the policy form; and
- (3) insure the property of policyholders of the standard company against:
  - (A) loss of use;
  - (B) loss of occupancy;
  - (C) loss of rents; and
  - (D) additional expenses;

that result from direct loss or damage to covered property.

*As added by P.L.129-2003, SEC.8.*

### **IC 27-5.1-3-3**

#### **Company territory expansion; net retention per risk; investments**

Sec. 3. (a) A standard company may not insure property located outside the standard company's territory, as described in the standard company's articles of incorporation, unless the standard company

meets the following requirements for expansion:

(1) A standard company with annual direct written premiums that total not less than one hundred thousand dollars (\$100,000) may expand the territory in which the standard company insures property to not more than ten (10) counties if the expansion is approved by the affirmative vote of a majority of the standard company's:

(A) board of directors; or

(B) policyholders present and voting at a meeting of the policyholders.

(2) A standard company with annual direct written premiums that total not less than two hundred fifty thousand dollars (\$250,000) may expand the territory in which the standard company insures property to more than ten (10) counties if the expansion is approved by the affirmative vote of a majority of the standard company's:

(A) board of directors; or

(B) policyholders present and voting at a meeting of the policyholders.

(b) The net retention per risk of a standard company may not exceed two-tenths percent (0.2%) of the standard company's insurance in force.

(c) A standard company shall make investments in accordance with IC 27-1-13-3.

*As added by P.L.129-2003, SEC.8.*

#### **IC 27-5.1-3-4**

##### **Policyholder surplus; reinsurance**

Sec. 4. A standard company may issue an insurance policy insuring against loss or damage to property of a policyholder of the standard company from the perils specified in section 2 of this chapter in a county located in Indiana if the standard company maintains a policyholder surplus or reinsurance that the commissioner determines is sufficient to protect the financial stability of the standard company.

*As added by P.L.129-2003, SEC.8.*

#### **IC 27-5.1-3-5**

##### **Annual statements**

Sec. 5. (a) A standard company shall, not later than March 1, prepare and file with the commissioner an annual statement:

(1) that is on a form prescribed by the commissioner;

(2) that is verified by an affidavit of the:

(A) president; and

(B) secretary;

of the board of the standard company and individuals who are authorized to do business on behalf of the standard company; and

(3) that reflects the financial condition of the standard company as of the end of the calendar year immediately preceding the

date of the annual statement.

(b) An annual statement prepared and filed under subsection (a) must be presented at the annual meeting of the standard company.

(c) An annual statement filed under subsection (a) must be accompanied by the filing fee set forth under IC 27-1-3-15.

*As added by P.L.129-2003, SEC.8.*