

HOUSE BILL No. 1109

DIGEST OF INTRODUCED BILL

Citations Affected: IC 27-7-12.

Synopsis: Use of aerial photography. Requires an insurer that provides property insurance coverage to a named insured to take certain actions when the insurer uses aerial images to aid in its determination to not renew property insurance coverage for a named insured.

Effective: July 1, 2025.

Lehman

January 8, 2025, read first time and referred to Committee on Insurance.



First Regular Session of the 124th General Assembly (2025)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2024 Regular Session of the General Assembly.

HOUSE BILL No. 1109

A BILL FOR AN ACT to amend the Indiana Code concerning insurance.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 27-7-12-2 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 2. **(a) As used in this**
3 **chapter, "aerial image" means an image of a named insured's**
4 **property captured from an airborne platform.**

5 ~~(a)~~ **(b)** As used in this chapter, "cancellation" refers to a termination
6 of property insurance coverage that occurs during the policy term.

7 ~~(b)~~ **(c)** As used in this chapter, "nonpayment of premium" means the
8 failure of the named insured to discharge any obligation in connection
9 with the payment of premiums on policies of insurance subject to this
10 chapter, regardless of whether the payments are directly payable to the
11 insurer or its agent or indirectly payable under a premium finance plan
12 or extension of credit. The term includes the failure to pay dues or fees
13 where payment of the dues or fees is a prerequisite to obtaining or
14 continuing property insurance coverage.

15 ~~(c)~~ **(d)** As used in this chapter, "nonrenewal" or "nonrenewed" refers
16 to a termination of property insurance coverage that occurs at the end
17 of the policy term.



1 ~~(d)~~ (e) As used in this chapter, "renewal" or "to renew" refers to:

- 2 (1) the issuance and delivery by an insurer at the end of a policy
3 period of a policy superseding a policy previously issued and
4 delivered by the same insurer; or
5 (2) the issuance and delivery of a certificate or notice extending
6 the term of an existing policy beyond its policy period or term.

7 **(f) As used in this chapter, "risk scoring system" means a**
8 **system used by an insurer to assess the likelihood of an individual**
9 **or entity filing a claim under a policy of insurance covering risks**
10 **to property located in Indiana.**

11 ~~(e)~~ (g) As used in this chapter, "termination" means a cancellation
12 or nonrenewal. The term does not include:

- 13 (1) the requirement of a reasonable deductible;
14 (2) reasonable changes in the amount of insurance; or
15 (3) reasonable reductions in policy limits or coverage;

16 if the requirements or changes are directly related to the hazard
17 involved and are made on the renewal date for the policy. The term
18 does not include a transfer of a policy to another insurer.

19 SECTION 2. IC 27-7-12-4, AS AMENDED BY P.L.196-2021,
20 SECTION 38, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
21 JULY 1, 2025]: Sec. 4. (a) Notice of nonrenewal by an insurer must:

- 22 (1) be in writing;
23 (2) be mailed to the named insured at the last known address of
24 the named insured;
25 (3) state the insurer's intention not to renew the policy upon
26 expiration of the current policy period;
27 (4) upon request of the named insured, be accompanied by a
28 written explanation of the specific reasons for the nonrenewal;
29 **and**
30 (5) be mailed to the named insured at least twenty (20) days
31 before the expiration of the current policy period; **and**

32 **(6) comply with IC 27-7-12-6.5(a)(1) if the insurer used aerial**
33 **images to aid in its determination to not renew property**
34 **insurance coverage for a named insured.**

35 (b) If the policy was procured by an independent insurance producer
36 licensed in Indiana, the insurer shall mail notice of nonrenewal to the
37 insurance producer not less than ten (10) days before the insurer mails
38 the notice to the named insured under subsection (a), unless the
39 obligation to notify the insurance producer is waived in writing by the
40 insurance producer.

41 (c) Notice of nonrenewal under this section is not required if:

- 42 (1) the named insured is transferred from an insurer to an affiliate



1 of the insurer for future coverage; and

2 (2) the transfer results in the same or broader coverage.

3 (d) If an insurer mails to an insured a renewal notice, bill,
4 certificate, or policy indicating the insurer's willingness to renew a
5 policy and the insured does not respond, the insurer is not required to
6 mail to the insured notice of intention not to renew.

7 SECTION 3. IC 27-7-12-6.5 IS ADDED TO THE INDIANA CODE
8 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
9 1, 2025]: **Sec. 6.5. (a) When an insurer uses aerial images to aid in
10 its determination to not renew property insurance coverage for a
11 named insured, the insurer shall do the following:**

12 **(1) Ensure that the nonrenewal notice sent to the named
13 insured under section 4 of this chapter:**

14 **(A) includes copies of date stamped aerial images that:**

15 **(i) were taken not more than twelve (12) months before
16 the nonrenewal notice is sent to the named insured; and**

17 **(ii) show the specific conditions on the property that are
18 out of compliance with the insurer's underwriting
19 guidelines; and**

20 **(B) explains what steps the named insured can take to
21 reverse the insurer's decision to not renew the property
22 insurance coverage; and**

23 **(C) discloses the risk scoring system criteria used by the
24 insurer in making its decision to not renew the property
25 insurance coverage.**

26 **(2) Establish a point of contact and a process to enable a
27 named insured to provide documentation demonstrating that
28 any conditions on the property that were:**

29 **(A) out of compliance with the insurer's underwriting
30 guidelines; and**

31 **(B) identified by an aerial image;**

32 **have been cured.**

33 **(3) Establish an appeal process that allows a named insured
34 to correct any errors or misunderstandings related to the
35 property's risk score received under the insurer's risk scoring
36 system.**

37 **(4) Provide the named insured at least sixty (60) days after the
38 date the insurer identifies any conditions on the property that
39 are:**

40 **(A) out of compliance with the insurer's underwriting
41 guidelines; and**

42 **(B) identified by an aerial image;**



1 to cure those conditions. If a named insured submits
2 documentation demonstrating that the conditions have been
3 cured, the insurer shall offer a renewal policy to the named
4 insured.

5 (b) The department shall adopt rules under IC 4-22-2 to
6 effectuate the provisions of this section.

