



January 30, 2025

HOUSE BILL No. 1214

DIGEST OF HB 1214 (Updated January 29, 2025 3:04 pm - DI 140)

Citations Affected: IC 22-5; IC 27-7.

Synopsis: Worker's compensation. Provides that, after June 30, 2025, a party may not prohibit an employer from bidding on a contract solely on the basis of the employer's experience rating. Requires insurance companies providing worker's compensation insurance to revise an insured party's prior experience ratings in a specified manner after the insurance company makes a successful subrogation claim.

Effective: July 1, 2025.

Lehman, Teshka, Moseley, Bartels

January 8, 2025, read first time and referred to Committee on Employment, Labor and Pensions.
January 30, 2025, reported — Do Pass.

HB 1214—LS 7159/DI 141



January 30, 2025

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. 1214

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 22-5-10 IS ADDED TO THE INDIANA CODE AS
2 A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2025]:
4 **Chapter 10. Bidding Restrictions Based on Experience Ratings**
5 **Sec. 1. As used in this chapter, "employer" means a sole**
6 **proprietor, a corporation, a partnership, a limited liability**
7 **company, or another entity with one (1) or more employees.**
8 **Sec. 2. As used in this chapter, "experience rating" has the**
9 **meaning set forth in IC 27-7-2-2(m).**
10 **Sec. 3. After June 30, 2025, a party may not prohibit an**
11 **employer from bidding on a contract solely on the basis of the**
12 **employer's experience rating.**
13 **Sec. 4. This chapter does not preclude a party from considering**
14 **an employer's experience rating when awarding a contract.**
15 SECTION 2. IC 27-7-2-2 IS AMENDED TO READ AS FOLLOWS
16 [EFFECTIVE JULY 1, 2025]: Sec. 2. As used in this chapter and
17 unless a different meaning appears from the context:

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- 1 (a) "Department" means the department of insurance of this state.
- 2 (b) "Worker's compensation board" means the worker's
3 compensation board of Indiana.
- 4 (c) "Company" means an insurance company and includes all
5 persons, partnerships, corporations, or associations engaged in making
6 worker's compensation insurance under the laws of this state.
- 7 (d) "Domestic company" means a company organized under the
8 laws of this state.
- 9 (e) "Foreign company" means a company organized under the laws
10 of any state of the United States, other than this state or under the laws
11 of any territory or insular possession of the United States or the District
12 of Columbia.
- 13 (f) "Alien company" means a company organized under the laws of
14 any country other than the United States or a territory or insular
15 possession thereof or of the District of Columbia.
- 16 (g) "Person" includes individuals, corporations, firms, companies,
17 associations, and partnerships. The personal pronoun includes all
18 genders. The singular includes the plural, and the plural includes the
19 singular.
- 20 (h) "Commissioner" means the insurance commissioner of this state.
- 21 (i) "Bureau" means the worker's compensation rating bureau of
22 Indiana.
- 23 (j) "Interested person" means any person who has filed with the
24 department a request to be notified under sections 4(b) and 20.2(c) of
25 this chapter of each filing of rates by the bureau or a company.
- 26 (k) "Assigned risk plan" means the plan by which members of the
27 worker's compensation rating bureau provide for the insurance of
28 rejected risks.
- 29 (l) "Classification system" or "classification" means the plan,
30 system, or arrangement for recognizing differences in exposure to
31 hazards among industries, occupations, or operations of insurance
32 policyholders.
- 33 (m) "Experience rating" means a rating procedure utilizing past
34 insurance experience of the individual policyholder to forecast future
35 losses by measuring the policyholder's loss experience against the loss
36 experience of policyholders in the same classification to produce a
37 prospective premium credit, debit, or unity modification.
- 38 (n) "Rate" means the cost of insurance per exposure base unit, prior
39 to any application of individual risk variations based on loss or expense
40 considerations, and does not include minimum premiums.
- 41 (o) "Schedule rating plan" means an independent rating plan that
42 measures hazard differences that have an immediate bearing on the



1 probability or severity of loss and applies debits and credits to modify
2 the premium for a risk.

3 (p) "Statistical plan" means the plan, system, or arrangement used
4 in collecting data.

5 (q) "Subrogation claim" means a claim or an action that is filed
6 or otherwise initiated:

7 (1) by a company against a third party that caused a loss to an
8 insured party; and

9 (2) to recover from the third party the amount of a claim
10 paid:

11 (A) by the company; and

12 (B) either:

13 (i) to the insured party; or

14 (ii) on behalf of the insured party;

15 for the loss to the insured party.

16 (r) "Successful subrogation claim" means a subrogation claim
17 that results in payment of money by a third party to a company,
18 even if the amount of money paid to the company by the third
19 party is less than the amount of the claim paid:

20 (1) by the company; and

21 (2) either:

22 (A) to the insured party; or

23 (B) on behalf of the insured party;

24 for the loss to the insured party.

25 (†)(s) "Supplementary rate information" means any manual or plan
26 of rates, classification system, rating schedule, minimum premium,
27 rating rule, rating plan, and any other similar information needed to
28 determine the applicable premium for an insured.

29 (†)(t) "Supporting information" means the experience and judgment
30 of the filer and the experience or data of other companies or
31 organizations relied on by the filer, the interpretation of any statistical
32 data relied on by the filer, descriptions of methods used in making the
33 rates, and any other similar information required to be filed by the
34 commissioner.

35 SECTION 3. IC 27-7-2-20 IS AMENDED TO READ AS
36 FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 20. (a) **Except as**
37 **provided in section 20.5 of this chapter**, every company shall adhere
38 to manual rules, policy forms, a statistical plan, a classification system,
39 and experience rating plan filed by the bureau and approved by the
40 commissioner.

41 (b) The commissioner shall designate the bureau to assist in
42 gathering, compiling, and reporting relevant statistical information.



1 Every company shall record and report its worker's compensation
 2 experience to the bureau according to the statistical plan approved by
 3 the commissioner. The report shall include any deviation from the filed
 4 recommended minimum premiums and rates, in total and by
 5 classification. The bureau shall annually submit data concerning these
 6 deviations to the department. Upon receipt, the department shall
 7 evaluate the data and prepare a report concerning the effect of
 8 competitive rating in Indiana. The department shall make the report
 9 available not later than October 31 of each year.

10 (c) Every company shall adhere to the approved manual rules,
 11 policy forms, statistical plan, classification system, and experience
 12 rating plan in the recording and reporting of data to the bureau.

13 (d) Copies of all approved classifications, rules, and forms shall be
 14 provided to the worker's compensation board.

15 SECTION 4. IC 27-7-2-20.5 IS ADDED TO THE INDIANA CODE
 16 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 17 1, 2025]: **Sec. 20.5. (a) Except as provided in subsection (d), when
 18 a company makes a successful subrogation claim, the company
 19 shall revise the experience rating of the insured party in the
 20 manner set forth in this section.**

21 (b) **After a company makes a successful subrogation claim, the
 22 company shall revise all of the insured party's prior experience
 23 ratings that were modified as a result of the insured party's claim
 24 for which the company made the successful subrogation claim.**

25 (c) **The company shall revise the prior experience ratings
 26 described under subsection (b) in a manner that:**

27 (1) **accounts for the entire amount the company received as a
 28 result of the successful subrogation claim; and**

29 (2) **ensures that the insured party receives, by way of the
 30 revised experience ratings, a monetary benefit equivalent to
 31 the amount the company received as a result of the successful
 32 subrogation claim.**

33 (d) **A company is not required to comply with this section if:**

34 (1) **at the time of the successful subrogation claim, the insured
 35 party who submitted the claim for which the company made
 36 the subrogation claim is not the owner of the policy under
 37 which the claim was submitted; or**

38 (2) **compliance with this section would require violation of a
 39 contract that was entered into, amended, or renewed before
 40 July 1, 2025.**



COMMITTEE REPORT

Mr. Speaker: Your Committee on Employment, Labor and Pensions, to which was referred House Bill 1214, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

(Reference is to HB 1214 as introduced.)

VANNATTER

Committee Vote: Yeas 11, Nays 0

