

# HOUSE BILL No. 1298

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 27-1-45; IC 34-13-3-8.

**Synopsis:** Political subdivision risk management. Permits the Indiana Public Employer's Plan, Inc. (corporation) to submit a plan to the department of insurance to operate as a mutual insurance company under the supervision of the department of insurance. Upon approval by the department of insurance of the corporation's plan: (1) the provisions of law governing mutual insurance companies organized after June 30, 1977, apply to the corporation; (2) regulatory oversight of the corporation is transferred from the worker's compensation board to the department of insurance; (3) the corporation is directed to provide the legislative council with a report in electronic format describing any changes needed to bring state law into conformity with the plan; and (4) if the department of insurance approves a plan for the corporation to assume the powers, rights, duties, assets, and obligations of the political subdivision risk management commission, in accordance with the plan: (A) the commission is dissolved; (B) the powers, rights, duties, assets, and obligations of the commission are transferred to the corporation; (C) the political subdivision risk management fund and the political subdivision catastrophic liability fund are terminated and the assets are transferred to the corporation; and (D) the corporation shall operate in accordance with the plan, notwithstanding any statutory provision in IC 27-1-29 or IC 27-1-29.1 to the contrary.

**Effective:** Upon passage.

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January 13, 2015, read first time and referred to Committee on Insurance.

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First Regular Session of the 119th General Assembly (2015)

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 2014 Regular Session and 2014 Second Regular Technical Session of the General Assembly.

## HOUSE BILL No. 1298

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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 27-1-45 IS ADDED TO THE INDIANA CODE AS  
2 A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON  
3 PASSAGE]:

4 **Chapter 45. Transfer of Oversight from Worker's**  
5 **Compensation Board to Department of Insurance**

6 **Sec. 1. As used in this chapter, "commission" refers to the**  
7 **Indiana political subdivision risk management commission.**

8 **Sec. 2. As used in this chapter, "corporation" refers to the**  
9 **Indiana Public Employer's Plan, Inc., which was originally**  
10 **incorporated under the name Indiana Employers' Compensation**  
11 **Plan, Inc. as a domestic nonprofit corporation on December 11,**  
12 **1989.**

13 **Sec. 3. As used in this chapter, "plan" refers to a plan submitted**  
14 **or approved under this chapter.**

15 **Sec. 4. (a) A corporation may file a plan with the department of**



1 insurance to be regulated by the department of insurance.

2 (b) The plan may include a plan to assume the powers, rights,  
3 duties, assets, and obligations of the commission, including any  
4 changes that are necessary or appropriate to provide the services  
5 of the commission through a mutual insurance company provided  
6 by the commission will be provided by the corporation and the use  
7 and administration of the funds and other assets of the commission.

8 Sec. 5. A plan must be submitted in the form and with the  
9 information required by the department of insurance. A plan may  
10 be amended as necessary to obtain the approval of the department  
11 of insurance.

12 Sec. 6. The department of insurance shall review a plan  
13 submitted under this chapter. The department of insurance may  
14 approve a plan if the department of insurance determines that the  
15 plan protects:

16 (1) the interests of political subdivisions and other  
17 governmental entities eligible for services from the  
18 corporation and the rights of holders of debts or other  
19 obligations of the corporation; and

20 (2) if the plan covers an assumption of commission powers,  
21 rights, duties, assets, and obligations, the interests of political  
22 subdivisions and other governmental entities eligible for  
23 services from the commission and the rights of holders of  
24 debts or other obligations of the commission.

25 Sec. 7. (a) If the department of insurance approves a plan:

26 (1) the provisions of law governing mutual insurance  
27 companies organized after June 30, 1977, apply to the  
28 corporation;

29 (2) IC 22-3-6-2(c), IC 22-3-7-34(i), IC 27-1-20-28, IC 27-6-4-1,  
30 and IC 27-7-2-26 do not apply to the corporation and  
31 regulatory oversight of the corporation is transferred from  
32 the worker's compensation board to the department of  
33 insurance to the same extent as mutual insurance associations  
34 and reciprocal associations formed and operating after  
35 January 1, 1991; and

36 (3) the corporation shall provide to the legislative council,  
37 within ninety (90) days of the date of approval, a report in  
38 electronic format under IC 5-14-6 describing any changes that  
39 need to be made in state law to reflect the plan approved by  
40 the department of insurance.

41 (b) If the department of insurance approves a plan for the  
42 corporation to assume the powers, rights, duties, assets, and



1 obligations of the political subdivision risk management  
2 commission, in accordance with the plan:

3 (1) the commission is dissolved;

4 (2) the corporation is the successor to the commission and the  
5 powers, rights, duties, assets, and obligations of the  
6 commission are transferred to the corporation;

7 (3) the political subdivision risk management fund and the  
8 political subdivision catastrophic liability fund are terminated  
9 and the assets and liabilities of the funds are transferred to  
10 the corporation; and

11 (4) the corporation shall carry out the powers, rights, and  
12 duties of the commission, use assets, and satisfy the liabilities  
13 of the commission in accordance with the plan,  
14 notwithstanding a provision in IC 27-1-29 or IC 27-1-29.1 to  
15 the contrary.

16 **Sec. 8. The commission shall cooperate in carrying out a plan  
17 described in section 7(b) of this chapter.**

18 SECTION 2. IC 34-13-3-8 IS AMENDED TO READ AS  
19 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. (a) **As used in  
20 this section, "corporation" has the meaning set forth in  
21 IC 27-1-45-2.**

22 (b) Except as provided in section 9 of this chapter, a claim against  
23 a political subdivision is barred unless notice is filed with:

24 (1) the governing body of that political subdivision; and

25 (2) the Indiana political subdivision risk management commission  
26 created under IC 27-1-29 or the corporation, if the department  
27 of insurance approves the corporation as the successor to the  
28 commission;

29 within one hundred eighty (180) days after the loss occurs.

30 ~~(b)~~ (c) A claim against a political subdivision is not barred for  
31 failure to file notice with the Indiana political subdivision risk  
32 management commission created under IC 27-1-29-5 if the political  
33 subdivision was not a member of the political subdivision risk  
34 management fund established under IC 27-1-29-10 or the  
35 corporation, if the department of insurance approves the  
36 corporation as the successor to the commission, at the time the act  
37 or omission took place.

38 SECTION 3. An emergency is declared for this act.

