

# SENATE BILL No. 111

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 27-4-1-4; IC 27-8-36.

**Synopsis:** Coverage for living organ donors. Prohibits an insurer that issues a policy of life insurance, disability insurance, or long term care insurance from taking certain actions with respect to the coverage of individuals who are living organ donors. Specifies that certain actions constitute an unfair and deceptive act and practice in the business of insurance when taken against a living organ donor by an insurer.

**Effective:** July 1, 2025.

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## Hunley

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

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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.

# SENATE BILL No. 111

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 27-4-1-4, AS AMENDED BY P.L.158-2024,  
2 SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 JULY 1, 2025]: Sec. 4. (a) The following are hereby defined as unfair  
4 methods of competition and unfair and deceptive acts and practices in  
5 the business of insurance:

- 6 (1) Making, issuing, circulating, or causing to be made, issued, or
- 7 circulated, any estimate, illustration, circular, or statement:
  - 8 (A) misrepresenting the terms of any policy issued or to be
  - 9 issued or the benefits or advantages promised thereby or the
  - 10 dividends or share of the surplus to be received thereon;
  - 11 (B) making any false or misleading statement as to the
  - 12 dividends or share of surplus previously paid on similar
  - 13 policies;
  - 14 (C) making any misleading representation or any
  - 15 misrepresentation as to the financial condition of any insurer,
  - 16 or as to the legal reserve system upon which any life insurer
  - 17 operates;



- 1 (D) using any name or title of any policy or class of policies  
2 misrepresenting the true nature thereof; or  
3 (E) making any misrepresentation to any policyholder insured  
4 in any company for the purpose of inducing or tending to  
5 induce such policyholder to lapse, forfeit, or surrender the  
6 policyholder's insurance.
- 7 (2) Making, publishing, disseminating, circulating, or placing  
8 before the public, or causing, directly or indirectly, to be made,  
9 published, disseminated, circulated, or placed before the public,  
10 in a newspaper, magazine, or other publication, or in the form of  
11 a notice, circular, pamphlet, letter, or poster, or over any radio or  
12 television station, or in any other way, an advertisement,  
13 announcement, or statement containing any assertion,  
14 representation, or statement with respect to any person in the  
15 conduct of the person's insurance business, which is untrue,  
16 deceptive, or misleading.
- 17 (3) Making, publishing, disseminating, or circulating, directly or  
18 indirectly, or aiding, abetting, or encouraging the making,  
19 publishing, disseminating, or circulating of any oral or written  
20 statement or any pamphlet, circular, article, or literature which is  
21 false, or maliciously critical of or derogatory to the financial  
22 condition of an insurer, and which is calculated to injure any  
23 person engaged in the business of insurance.
- 24 (4) Entering into any agreement to commit, or individually or by  
25 a concerted action committing any act of boycott, coercion, or  
26 intimidation resulting or tending to result in unreasonable  
27 restraint of, or a monopoly in, the business of insurance.
- 28 (5) Filing with any supervisory or other public official, or making,  
29 publishing, disseminating, circulating, or delivering to any person,  
30 or placing before the public, or causing directly or indirectly, to  
31 be made, published, disseminated, circulated, delivered to any  
32 person, or placed before the public, any false statement of  
33 financial condition of an insurer with intent to deceive. Making  
34 any false entry in any book, report, or statement of any insurer  
35 with intent to deceive any agent or examiner lawfully appointed  
36 to examine into its condition or into any of its affairs, or any  
37 public official to which such insurer is required by law to report,  
38 or which has authority by law to examine into its condition or into  
39 any of its affairs, or, with like intent, willfully omitting to make a  
40 true entry of any material fact pertaining to the business of such  
41 insurer in any book, report, or statement of such insurer.
- 42 (6) Issuing or delivering or permitting agents, officers, or



1 employees to issue or deliver, agency company stock or other  
 2 capital stock, or benefit certificates or shares in any common law  
 3 corporation, or securities or any special or advisory board  
 4 contracts or other contracts of any kind promising returns and  
 5 profits as an inducement to insurance.

6 (7) Making or permitting any of the following:

7 (A) Unfair discrimination between individuals of the same  
 8 class and equal expectation of life in the rates or assessments  
 9 charged for any contract of life insurance or of life annuity or  
 10 in the dividends or other benefits payable thereon, or in any  
 11 other of the terms and conditions of such contract. However,  
 12 in determining the class, consideration may be given to the  
 13 nature of the risk, plan of insurance, the actual or expected  
 14 expense of conducting the business, or any other relevant  
 15 factor.

16 (B) Unfair discrimination between individuals of the same  
 17 class involving essentially the same hazards in the amount of  
 18 premium, policy fees, assessments, or rates charged or made  
 19 for any policy or contract of accident or health insurance or in  
 20 the benefits payable thereunder, or in any of the terms or  
 21 conditions of such contract, or in any other manner whatever.  
 22 However, in determining the class, consideration may be given  
 23 to the nature of the risk, the plan of insurance, the actual or  
 24 expected expense of conducting the business, or any other  
 25 relevant factor.

26 (C) Excessive or inadequate charges for premiums, policy  
 27 fees, assessments, or rates, or making or permitting any unfair  
 28 discrimination between persons of the same class involving  
 29 essentially the same hazards, in the amount of premiums,  
 30 policy fees, assessments, or rates charged or made for:

31 (i) policies or contracts of reinsurance or joint reinsurance,  
 32 or abstract and title insurance;

33 (ii) policies or contracts of insurance against loss or damage  
 34 to aircraft, or against liability arising out of the ownership,  
 35 maintenance, or use of any aircraft, or of vessels or craft,  
 36 their cargoes, marine builders' risks, marine protection and  
 37 indemnity, or other risks commonly insured under marine,  
 38 as distinguished from inland marine, insurance; or

39 (iii) policies or contracts of any other kind or kinds of  
 40 insurance whatsoever.

41 However, nothing contained in clause (C) shall be construed to  
 42 apply to any of the kinds of insurance referred to in clauses (A)



1 and (B) nor to reinsurance in relation to such kinds of insurance.  
2 Nothing in clause (A), (B), or (C) shall be construed as making or  
3 permitting any excessive, inadequate, or unfairly discriminatory  
4 charge or rate or any charge or rate determined by the department  
5 or commissioner to meet the requirements of any other insurance  
6 rate regulatory law of this state.

7 (8) Except as otherwise expressly provided by IC 27-1-47 or  
8 another law, knowingly permitting or offering to make or making  
9 any contract or policy of insurance of any kind or kinds  
10 whatsoever, including but not in limitation, life annuities, or  
11 agreement as to such contract or policy other than as plainly  
12 expressed in such contract or policy issued thereon, or paying or  
13 allowing, or giving or offering to pay, allow, or give, directly or  
14 indirectly, as inducement to such insurance, or annuity, any rebate  
15 of premiums payable on the contract, or any special favor or  
16 advantage in the dividends, savings, or other benefits thereon, or  
17 any valuable consideration or inducement whatever not specified  
18 in the contract or policy; or giving, or selling, or purchasing or  
19 offering to give, sell, or purchase as inducement to such insurance  
20 or annuity or in connection therewith, any stocks, bonds, or other  
21 securities of any insurance company or other corporation,  
22 association, limited liability company, or partnership, or any  
23 dividends, savings, or profits accrued thereon, or anything of  
24 value whatsoever not specified in the contract. Nothing in this  
25 subdivision and subdivision (7) shall be construed as including  
26 within the definition of discrimination or rebates any of the  
27 following practices:

28 (A) Paying bonuses to policyholders or otherwise abating their  
29 premiums in whole or in part out of surplus accumulated from  
30 nonparticipating insurance, so long as any such bonuses or  
31 abatement of premiums are fair and equitable to policyholders  
32 and for the best interests of the company and its policyholders.

33 (B) In the case of life insurance policies issued on the  
34 industrial debit plan, making allowance to policyholders who  
35 have continuously for a specified period made premium  
36 payments directly to an office of the insurer in an amount  
37 which fairly represents the saving in collection expense.

38 (C) Readjustment of the rate of premium for a group insurance  
39 policy based on the loss or expense experience thereunder, at  
40 the end of the first year or of any subsequent year of insurance  
41 thereunder, which may be made retroactive only for such  
42 policy year.



- 1 (D) Paying by an insurer or insurance producer thereof duly  
2 licensed as such under the laws of this state of money,  
3 commission, or brokerage, or giving or allowing by an insurer  
4 or such licensed insurance producer thereof anything of value,  
5 for or on account of the solicitation or negotiation of policies  
6 or other contracts of any kind or kinds, to a broker, an  
7 insurance producer, or a solicitor duly licensed under the laws  
8 of this state, but such broker, insurance producer, or solicitor  
9 receiving such consideration shall not pay, give, or allow  
10 credit for such consideration as received in whole or in part,  
11 directly or indirectly, to the insured by way of rebate.
- 12 (9) Requiring, as a condition precedent to loaning money upon the  
13 security of a mortgage upon real property, that the owner of the  
14 property to whom the money is to be loaned negotiate any policy  
15 of insurance covering such real property through a particular  
16 insurance producer or broker or brokers. However, this  
17 subdivision shall not prevent the exercise by any lender of the  
18 lender's right to approve or disapprove of the insurance company  
19 selected by the borrower to underwrite the insurance.
- 20 (10) Entering into any contract, combination in the form of a trust  
21 or otherwise, or conspiracy in restraint of commerce in the  
22 business of insurance.
- 23 (11) Monopolizing or attempting to monopolize or combining or  
24 conspiring with any other person or persons to monopolize any  
25 part of commerce in the business of insurance. However,  
26 participation as a member, director, or officer in the activities of  
27 any nonprofit organization of insurance producers or other  
28 workers in the insurance business shall not be interpreted, in  
29 itself, to constitute a combination in restraint of trade or as  
30 combining to create a monopoly as provided in this subdivision  
31 and subdivision (10). The enumeration in this chapter of specific  
32 unfair methods of competition and unfair or deceptive acts and  
33 practices in the business of insurance is not exclusive or  
34 restrictive or intended to limit the powers of the commissioner or  
35 department or of any court of review under section 8 of this  
36 chapter.
- 37 (12) Requiring as a condition precedent to the sale of real or  
38 personal property under any contract of sale, conditional sales  
39 contract, or other similar instrument or upon the security of a  
40 chattel mortgage, that the buyer of such property negotiate any  
41 policy of insurance covering such property through a particular  
42 insurance company, insurance producer, or broker or brokers.



1 However, this subdivision shall not prevent the exercise by any  
 2 seller of such property or the one making a loan thereon of the  
 3 right to approve or disapprove of the insurance company selected  
 4 by the buyer to underwrite the insurance.

5 (13) Issuing, offering, or participating in a plan to issue or offer,  
 6 any policy or certificate of insurance of any kind or character as  
 7 an inducement to the purchase of any property, real, personal, or  
 8 mixed, or services of any kind, where a charge to the insured is  
 9 not made for and on account of such policy or certificate of  
 10 insurance. However, this subdivision shall not apply to any of the  
 11 following:

12 (A) Insurance issued to credit unions or members of credit  
 13 unions in connection with the purchase of shares in such credit  
 14 unions.

15 (B) Insurance employed as a means of guaranteeing the  
 16 performance of goods and designed to benefit the purchasers  
 17 or users of such goods.

18 (C) Title insurance.

19 (D) Insurance written in connection with an indebtedness and  
 20 intended as a means of repaying such indebtedness in the  
 21 event of the death or disability of the insured.

22 (E) Insurance provided by or through motorists service clubs  
 23 or associations.

24 (F) Insurance that is provided to the purchaser or holder of an  
 25 air transportation ticket and that:

26 (i) insures against death or nonfatal injury that occurs during  
 27 the flight to which the ticket relates;

28 (ii) insures against personal injury or property damage that  
 29 occurs during travel to or from the airport in a common  
 30 carrier immediately before or after the flight;

31 (iii) insures against baggage loss during the flight to which  
 32 the ticket relates; or

33 (iv) insures against a flight cancellation to which the ticket  
 34 relates.

35 (14) Refusing, because of the for-profit status of a hospital or  
 36 medical facility, to make payments otherwise required to be made  
 37 under a contract or policy of insurance for charges incurred by an  
 38 insured in such a for-profit hospital or other for-profit medical  
 39 facility licensed by the Indiana department of health.

40 (15) Refusing to insure an individual, refusing to continue to issue  
 41 insurance to an individual, limiting the amount, extent, or kind of  
 42 coverage available to an individual, or charging an individual a



- 1 different rate for the same coverage, solely because of that  
 2 individual's blindness or partial blindness, except where the  
 3 refusal, limitation, or rate differential is based on sound actuarial  
 4 principles or is related to actual or reasonably anticipated  
 5 experience.
- 6 (16) Committing or performing, with such frequency as to  
 7 indicate a general practice, unfair claim settlement practices (as  
 8 defined in section 4.5 of this chapter).
- 9 (17) Between policy renewal dates, unilaterally canceling an  
 10 individual's coverage under an individual or group health  
 11 insurance policy solely because of the individual's medical or  
 12 physical condition.
- 13 (18) Using a policy form or rider that would permit a cancellation  
 14 of coverage as described in subdivision (17).
- 15 (19) Violating IC 27-1-22-25, IC 27-1-22-26, or IC 27-1-22-26.1  
 16 concerning motor vehicle insurance rates.
- 17 (20) Violating IC 27-8-21-2 concerning advertisements referring  
 18 to interest rate guarantees.
- 19 (21) Violating IC 27-8-24.3 concerning insurance and health plan  
 20 coverage for victims of abuse.
- 21 (22) Violating IC 27-8-26 concerning genetic screening or testing.
- 22 (23) Violating IC 27-1-15.6-3(b) concerning licensure of  
 23 insurance producers.
- 24 (24) Violating IC 27-1-38 concerning depository institutions.
- 25 (25) Violating IC 27-8-28-17(c) or IC 27-13-10-8(c) concerning  
 26 the resolution of an appealed grievance decision.
- 27 (26) Violating IC 27-8-5-2.5(e) through IC 27-8-5-2.5(j) (expired  
 28 July 1, 2007, and removed) or IC 27-8-5-19.2 (expired July 1,  
 29 2007, and repealed).
- 30 (27) Violating IC 27-2-21 concerning use of credit information.
- 31 (28) Violating IC 27-4-9-3 concerning recommendations to  
 32 consumers.
- 33 (29) Engaging in dishonest or predatory insurance practices in  
 34 marketing or sales of insurance to members of the United States  
 35 Armed Forces as:
- 36 (A) described in the federal Military Personnel Financial  
 37 Services Protection Act, P.L.109-290; or
- 38 (B) defined in rules adopted under subsection (b).
- 39 (30) Violating IC 27-8-19.8-20.1 concerning stranger originated  
 40 life insurance.
- 41 (31) Violating IC 27-2-22 concerning retained asset accounts.
- 42 (32) Violating IC 27-8-5-29 concerning health plans offered





- 1 through a health benefit exchange (as defined in IC 27-19-2-8).  
 2 (33) Violating a requirement of the federal Patient Protection and  
 3 Affordable Care Act (P.L. 111-148), as amended by the federal  
 4 Health Care and Education Reconciliation Act of 2010 (P.L.  
 5 111-152), that is enforceable by the state.  
 6 (34) After June 30, 2015, violating IC 27-2-23 concerning  
 7 unclaimed life insurance, annuity, or retained asset account  
 8 benefits.  
 9 (35) Willfully violating IC 27-1-12-46 concerning a life insurance  
 10 policy or certificate described in IC 27-1-12-46(a).  
 11 (36) Violating IC 27-1-37-7 concerning prohibiting the disclosure  
 12 of health care service claims data.  
 13 (37) Violating IC 27-4-10-10 concerning virtual claims payments.  
 14 (38) Violating IC 27-1-24.5 concerning pharmacy benefit  
 15 managers.  
 16 (39) Violating IC 27-7-17-16 or IC 27-7-17-17 concerning the  
 17 marketing of travel insurance policies.  
 18 (40) Violating IC 27-1-49 concerning individual prescription drug  
 19 rebates.  
 20 (41) Violating IC 27-1-50 concerning group prescription drug  
 21 rebates.  
 22 **(42) Violating IC 27-8-36 concerning living organ donor**  
 23 **insurance coverage and organ donation.**  
 24 (b) Except with respect to federal insurance programs under  
 25 Subchapter III of Chapter 19 of Title 38 of the United States Code, the  
 26 commissioner may, consistent with the federal Military Personnel  
 27 Financial Services Protection Act (10 U.S.C. 992 note), adopt rules  
 28 under IC 4-22-2 to:  
 29 (1) define; and  
 30 (2) while the members are on a United States military installation  
 31 or elsewhere in Indiana, protect members of the United States  
 32 Armed Forces from;  
 33 dishonest or predatory insurance practices.  
 34 SECTION 2. IC 27-8-36 IS ADDED TO THE INDIANA CODE AS  
 35 A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY  
 36 1, 2025]:  
 37 **Chapter 36. Coverage for Living Organ Donors**  
 38 **Sec. 1. As used in this chapter, "individual" means a natural**  
 39 **person.**  
 40 **Sec. 2. As used in this chapter, "insurance policy" means:**  
 41 **(1) a policy of life insurance or disability insurance described**  
 42 **in Class 1 of IC 27-1-5-1; and**



1           (2) a long term care insurance policy (as defined in  
2           IC 27-8-12-5).  
3           Sec. 3. As used in this chapter, "insurer" means an insurance  
4           company that issues an insurance policy.  
5           Sec. 4. As used in this chapter, "living organ donor" means an  
6           individual who:  
7           (1) intends to donate; or  
8           (2) has donated;  
9           all or part of an organ and is not deceased.  
10          Sec. 5. An insurer may not do any of the following:  
11          (1) Decline or limit coverage of an individual under an  
12          insurance policy solely because the individual is a living organ  
13          donor.  
14          (2) Preclude an insured individual from donating all or part  
15          of an organ as a condition of receiving or continuing to  
16          receive an insurance policy.  
17          (3) Discriminate in the offering, issuance, cancellation,  
18          amount of coverage, price, or any other condition of an  
19          insurance policy for an individual based solely, and without  
20          any additional actuarial risks, upon the status of the  
21          individual as a living organ donor.  
22          Sec. 6. An insurer who violates this chapter commits an unfair  
23          and deceptive act and practice in the business of insurance under  
24          IC 27-4-1-4.

