

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 1999 General Assembly.

## SENATE ENROLLED ACT No. 418

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AN ACT to amend the Indiana Code concerning insurance.

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

SECTION 1. IC 27-1-13-3.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2000 (RETROACTIVE)]:  
Sec. 3.5. (a) **Except as provided by subsection (b)**, goodwill, trade names, and other like intangible assets attributable to any investment in a subsidiary shall be admitted as assets except:

- (1) to the extent that the aggregate amount thereof exceeds ten percent (10%) of the capital and surplus of the insurer as reported in its latest annual report filed with the commissioner;
- (2) to the extent that any such asset is not being amortized ratably over a period of ten (10) years or less from the date of acquisition; and
- (3) in determining the financial condition or solvency of an insurer under IC 27-9.

**(b) The commissioner may increase the ten percent (10%) limitation in subsection (a)(1) to an amount not to exceed twenty percent (20%) of the capital and surplus of the insurer as reported in its latest annual statement filed with the commissioner if:**

- (1) the assets of the insurer include good will, trade names, and other like intangible assets that are attributable to the acquisition after December 31, 1998, of an insurance company or health maintenance organization authorized to do business under the laws of any state; and**

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**(2) as of the date of the initial request for an increase in the ten percent (10%) limitation in subsection (a)(1) the total adjusted capital of the insurer is at least four hundred percent (400%) of the authorized control level risk based capital of the insurer as reported in the latest annual report filed with the commissioner.**

**(c) The commissioner may retain experts to assist with a request made under subsection (b). The insurer shall pay all costs for the experts.**

**SECTION 2. [EFFECTIVE JANUARY 1, 2000 (RETROACTIVE)]  
IC 27-1-13-3.5, as amended by this act, applies to financial statements filed by an insurer after December 31, 1999.**

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

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President of the Senate

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President Pro Tempore

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Speaker of the House of Representatives

Approved: \_\_\_\_\_

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Governor of the State of Indiana

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