

Adopted Rejected

COMMITTEE REPORT

YES: 11
NO: 0

MR. SPEAKER:

*Your Committee on Financial Institutions, to which was referred House Bill 1191, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill **be amended** as follows:*

- 1 Page 13, after line 2, begin a new paragraph and insert:
- 2 "SECTION 3. IC 28-1-11-2.5 IS AMENDED TO READ AS
- 3 FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 2.5. (a) A bank or trust
- 4 company may act as an agent for the sale of any life insurance policy
- 5 or annuity contract issued by a life insurance company (as defined in
- 6 IC 27-1-2-3) authorized to do business in Indiana under IC 27-1.
- 7 (b) A bank or trust company that acts as an agent for the sale of a
- 8 life insurance policy or an annuity contract:
- 9 (1) is subject to all requirements of IC 27; and
- 10 (2) must comply with the disclosure requirements under
- 11 ~~IC 28-1-11-2.6.~~ **IC 27-1-38.**
- 12 (c) A bank or trust company may not condition:
- 13 (1) an extension of credit;
- 14 (2) a lease or sale of real or personal property;

- 1 (3) the performance of services; or
 2 (4) the amount charged for:
 3 (A) extending credit;
 4 (B) leasing or selling real or personal property; or
 5 (C) performing services;
 6 upon a person's purchase of a life insurance policy or an annuity
 7 contract from the bank or trust company or an affiliate (as defined in
 8 IC 28-2-13-3) of the bank or trust company.

9 (d) This section does not prohibit a bank or trust company from
 10 requiring that a person, as a condition to a transaction, obtain a life
 11 insurance policy from an insurance company acceptable to the bank or
 12 trust company.

13 SECTION 4. IC 28-5-1-6.5, AS AMENDED BY P.L.132-2001,
 14 SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 15 JULY 1, 2002]: Sec. 6.5. (a) Notwithstanding any other provision of
 16 this title, an industrial loan and investment company may act as an
 17 agent for the sale of any annuity contract issued by a life insurance
 18 company (as defined in IC 27-1-2-3) authorized to do business in
 19 Indiana under IC 27-1.

20 (b) An industrial loan and investment company that acts as an agent
 21 for the sale of an annuity contract:

- 22 (1) is subject to all requirements of IC 27 relating to the sale and
 23 solicitation of insurance, including licensing as an agent under
 24 IC 27-1-15.6; and
 25 (2) must comply with the disclosure requirements under
 26 ~~IC 28-1-11-2.6~~ **IC 27-1-38**.

27 (c) This section does not give power to, or otherwise affect the
 28 power of, an industrial loan and investment company to act as an agent
 29 for the sale of life insurance other than an annuity contract.

30 SECTION 5. IC 28-6.1-6-14, AS AMENDED BY P.L.134-2001,
 31 SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 32 JULY 1, 2002]: Sec. 14. (a) A savings bank may solicit and write
 33 insurance as an agent or a broker for any insurance company authorized
 34 to do business in the state or states where the agent or broker operates.

35 (b) A savings bank or its affiliate (as defined in IC 28-6.2-1-4) may
 36 act as an agent for the sale of any life insurance policy or annuity
 37 contract issued by a life insurance company (as defined in IC 27-1-2-3)
 38 authorized to do business in the state or states where the agent operates.

1 (c) A savings bank or its affiliate that acts as an agent for the sale of
2 a life insurance policy or an annuity contract under subsection (b):

- 3 (1) is subject to all requirements of IC 27 with respect to the
4 agent's activity in Indiana; and
5 (2) must comply with the disclosure requirements under
6 ~~IC 28-1-11-2.6.~~ **IC 27-1-38.**

7 (d) A savings bank or its affiliate may not condition:

- 8 ~~(A) (1)~~ an extension of credit;
9 ~~(B) (2)~~ a lease or sale of real or personal property;
10 ~~(C) (3)~~ the performance of a service; or
11 ~~(D) (4)~~ the amount charged for:
12 ~~(i) (A)~~ extending credit;
13 ~~(ii) (B)~~ leasing or selling real or personal property; or
14 ~~(iii) (C)~~ performing services;

15 upon a person's purchase of a life insurance policy or an annuity
16 contract from the savings bank or its affiliate.

17 (e) This section does not prohibit a savings bank or its affiliate from
18 requiring that a person, as a condition to a transaction, obtain a life
19 insurance policy from an insurance company acceptable to the savings
20 bank or its affiliate.

21 SECTION 6. IC 28-7-1-9.1, AS AMENDED BY P.L.134-2001,
22 SECTION 18, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
23 JULY 1, 2002]: Sec. 9.1. (a) A credit union or a related credit union
24 service organization (as defined in section 0.5(7) of this chapter) that
25 acts as an agent for the sale of a life insurance policy or an annuity
26 contract issued by a life insurance company (as defined in
27 IC 27-1-2-3):

- 28 (1) is subject to the requirements of IC 27; and
29 (2) must comply with the disclosure requirements of
30 ~~IC 28-1-11-2.6.~~ **IC 27-1-38.**

31 (b) A credit union or credit union service organization may not
32 condition:

- 33 (1) an extension of credit;
34 (2) a lease or sale of real or personal property;
35 (3) the performance of a service; or
36 (4) the amount charged for:
37 (A) extending credit;
38 (B) leasing or selling real or personal property; or

1 (C) performing services;
2 upon a person's purchase of a life insurance policy or an annuity
3 contract from the credit union or related credit union service
4 organization.

5 (c) This section does not prohibit a credit union or a credit union
6 service organization from requiring that a person, as a condition to a
7 transaction, obtain a life insurance policy from an insurance company
8 acceptable to the credit union or credit union service organization.

9 SECTION 7. IC 28-14-3-11, AS AMENDED BY P.L.132-2001,
10 SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
11 JULY 1, 2002]: Sec. 11. (a) Notwithstanding any other provision of this
12 title, a corporate fiduciary may act as an agent for the sale of any
13 annuity contract or any life insurance policy issued by a life insurance
14 company (as defined in IC 27-1-2-3) authorized to do business in
15 Indiana under IC 27-1.

16 (b) A corporate fiduciary that acts as an agent for the sale of an
17 annuity contract or a life insurance policy:

18 (1) is subject to all requirements of IC 27 relating to the sale and
19 solicitation of insurance, including licensing as an agent under
20 IC 27-1-15.6; and

21 (2) must comply with the disclosure requirements under

1 ~~IC 28-1-11-2.6. IC 27-1-38.~~
2 SECTION 8. IC 28-1-11-2.6 IS REPEALED [EFFECTIVE JULY
3 1, 2002]."
(Reference is to HB 1191 as introduced.)

and when so amended that said bill do pass.

Representative Bodiker