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| PREVAILED | Roll Call No. _____ |
| FAILED | Ayes _____ |
| WITHDRAWN | Noes _____ |
| RULED OUT OF ORDER | |

HOUSE MOTION _____

MR. SPEAKER:

I move that House Bill 1452 be amended to read as follows:

- 1 Delete the title and insert the following:
- 2 A BILL FOR AN ACT to amend the Indiana Code concerning
- 3 education and insurance and to make an appropriation.
- 4 Page 1, between the enacting clause and line 1, begin a new
- 5 paragraph and insert:
- 6 "SECTION 1. IC 20-12-22.3 IS ADDED TO THE INDIANA CODE
- 7 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
- 8 JULY 1, 2007]:
- 9 **Chapter 22.3. Insurance Education Scholarship Fund**
- 10 **Sec. 1. As used in this chapter, "commission" refers to the state**
- 11 **student assistance commission established by IC 20-12-21-4.**
- 12 **Sec. 2. As used in this chapter, "fund" refers to the insurance**
- 13 **education scholarship fund established by section 5 of this chapter.**
- 14 **Sec. 3. As used in this chapter, "insurance student" means a**
- 15 **student who studies or intends to study:**
- 16 (1) insurance; or
- 17 (2) business with an emphasis on insurance.
- 18 **Sec. 4. As used in this chapter, "state educational institution" has**
- 19 **the meaning set forth in IC 20-12-0.5-1.**
- 20 **Sec. 5. (a) The insurance education scholarship fund is**
- 21 **established to encourage and promote qualified individuals to**
- 22 **pursue a career in insurance in Indiana.**
- 23 **(b) The fund consists of amounts deposited under**
- 24 **IC 27-1-15.6-7.3.**

- 1 **Sec. 6. (a) The commission shall administer the fund.**
2 **(b) The expenses of administering the fund shall be paid from**
3 **money in the fund.**
4 **(c) The treasurer of state shall invest the money in the fund not**
5 **currently needed to meet the obligations of the fund in the same**
6 **manner as other public funds may be invested. Interest that**
7 **accrues from the investments shall be deposited in the fund.**
8 **(d) Money in the fund at the end of a state fiscal year does not**
9 **revert to the state general fund.**
10 **(e) There is annually appropriated to the commission all money**
11 **in the fund to carry out the purposes of this chapter.**
12 **Sec. 7. (a) The money in the fund shall be used to provide annual**
13 **scholarships to insurance students who qualify under section 9 of**
14 **this chapter. The commission shall determine the amount of money**
15 **to be allocated from the fund for scholarships under this chapter.**
16 **(b) A scholarship awarded under this chapter may be used only**
17 **for the payment of tuition or fees that are:**
18 **(1) approved by the state educational institution that awards**
19 **the scholarship; and**
20 **(2) not otherwise payable under any other scholarship or form**
21 **of financial assistance specifically designated for tuition or**
22 **fees.**
23 **(c) Subject to section 8(c) of this chapter, each scholarship**
24 **awarded under this chapter is renewable under section 9 of this**
25 **chapter for a total number of terms that does not exceed eight (8)**
26 **full-time semesters (or the equivalent) or twelve (12) full-time**
27 **quarters (or the equivalent).**
28 **Sec. 8. (a) The commission for higher education shall provide**
29 **the commission with the most recent information concerning the**
30 **number of insurance students at each state educational institution.**
31 **(b) The commission shall allocate the available money from the**
32 **fund to each state educational institution that has:**
33 **(1) an insurance program; or**
34 **(2) a business program with an emphasis on insurance;**
35 **in proportion to the number of insurance students enrolled at each**
36 **state educational institution based upon the information received**
37 **by the commission under subsection (a).**
38 **(c) Each state educational institution shall determine which of**
39 **the state educational institution's insurance students who apply**
40 **qualify under section 9 of this chapter. In addition, the state**
41 **educational institution shall consider the need of the applicant**
42 **when awarding scholarships under this chapter.**
43 **(d) The state educational institution may not grant a scholarship**
44 **renewal to an insurance student for an academic year that ends**
45 **later than six (6) years after the date on which the insurance**
46 **student received the insurance student's initial scholarship under**
47 **this chapter.**

1 (e) Any funds that:

2 (1) are allocated to a state educational institution under
3 section 8(b) of this chapter; and

4 (2) are not used for scholarships under this chapter;
5 shall be returned to the commission for reallocation by the
6 commission to any other eligible state educational institution in
7 need of additional funds.

8 Sec. 9. To qualify for a scholarship or a scholarship renewal
9 from the fund, an insurance student must:

10 (1) be admitted to an approved state educational institution as
11 a full-time or part-time insurance student; and

12 (2) meet the qualifications established by the commission
13 under section 11 of this chapter.

14 Sec. 10. (a) The commission shall maintain complete and
15 accurate records in administering the fund, including records
16 concerning the scholarships awarded under this chapter.

17 (b) Each state educational institution shall provide the
18 commission with information concerning the following:

19 (1) The awarding of scholarships under this chapter.

20 (2) The academic progress made by each recipient of a
21 scholarship under this chapter.

22 (3) Other pertinent information requested by the commission.

23 Sec. 11. (a) The commission shall establish qualifications for
24 recipients of scholarships and scholarship renewals under this
25 chapter under rules adopted under subsection (b).

26 (b) The commission shall adopt rules under IC 4-22-2 necessary
27 to carry out this chapter.

28 SECTION 2. IC 27-1-15.6-7.3 IS ADDED TO THE INDIANA
29 CODE AS A NEW SECTION TO READ AS FOLLOWS
30 [EFFECTIVE JULY 1, 2007]: Sec. 7.3. (a) The commissioner may
31 design or have designed an insurance producer certificate suitable
32 for framing and display.

33 (b) Upon request of an insurance producer, the commissioner
34 may issue a certificate described in subsection (a).

35 (c) The commissioner may impose and collect a reasonable fee
36 for a certificate issued under subsection (b). The commissioner
37 shall deposit fees collected under this subsection into the insurance
38 education scholarship fund established by IC 20-12-22.3-5.

39 (d) The commissioner shall establish guidelines to implement
40 this section.

41 SECTION 3. IC 27-1-15.6-24.1 IS ADDED TO THE INDIANA
42 CODE AS A NEW SECTION TO READ AS FOLLOWS
43 [EFFECTIVE JULY 1, 2007]: Sec. 24.1. A licensed insurance
44 producer may charge a reasonable fee for personal lines property
45 and casualty insurance or services related to personal lines
46 property and casualty insurance subject to the following
47 requirements:

1 **(1) The amount of a fee and the basis for calculating a fee may**
 2 **not vary among personal lines insureds.**

3 **(2) The amount of a fee is subject to the approval of the**
 4 **commissioner.**

5 SECTION 4. IC 27-1-15.6-32 IS AMENDED TO READ AS
 6 FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 32. (a) The department
 7 shall adopt rules under IC 4-22-2 to set fees for licensure under this
 8 chapter, IC 27-1-15.7, and IC 27-1-15.8.

9 (b) Insurance producer and limited lines producer license renewal
 10 fees are due every ~~four (4)~~ **two (2)** years. The fee charged by the
 11 department every ~~four (4)~~ **two (2)** years for a:

12 (1) resident license is forty dollars (\$40); and

13 (2) nonresident license is ninety dollars (\$90).

14 (c) Consultant renewal fees are due every twenty-four (24) months.

15 (d) Surplus lines producer renewal fees are due ~~annually~~; **every two**
 16 **(2) years. The fee charged by the department every two (2) years**
 17 **for a:**

18 **(1) resident license is eighty dollars (\$80); and**

19 **(2) nonresident license is one hundred twenty dollars (\$120).**

20 (e) The commissioner may issue a duplicate license for any license
 21 issued under this chapter. The fee charged by the commissioner for the
 22 issuance of a duplicate:

23 (1) insurance producer license;

24 (2) surplus lines producer license;

25 (3) limited lines producer license; or

26 (4) consultant license;

27 may not exceed ten dollars (\$10).

28 **(f) A fee charged and collected under this section shall be**
 29 **deposited into the department of insurance fund established by**
 30 **IC 27-1-3-28.**

31 SECTION 5. IC 27-1-15.7-2, AS AMENDED BY P.L.73-2006,
 32 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 33 JULY 1, 2007]: Sec. 2. (a) Except as provided in subsection (b), to
 34 renew a license issued under IC 27-1-15.6:

35 (1) a resident insurance producer must complete at least ~~forty (40)~~
 36 **twenty (20)** hours of credit in continuing education courses; and

37 (2) a resident limited lines producer must complete at least ~~ten~~
 38 **(10) five (5)** hours of credit in continuing education courses.

39 An attorney in good standing who is admitted to the practice of law in
 40 Indiana and holds a license issued under IC 27-1-15.6 may complete all
 41 or any number of hours of continuing education required by this
 42 subsection by completing an equivalent number of hours in continuing
 43 legal education courses that are related to the business of insurance.

44 (b) To renew a license issued under IC 27-1-15.6, a limited lines
 45 producer with a title qualification under IC 27-1-15.6-7(a)(8) must
 46 complete at least ~~fourteen (14)~~ **seven (7)** hours of credit in continuing

1 education courses related to the business of title insurance with at least
 2 one (1) hour of instruction in a structured setting or comparable
 3 self-study in each of the following:

- 4 (1) Ethical practices in the marketing and selling of title
 5 insurance.
- 6 (2) Title insurance underwriting.
- 7 (3) Escrow issues.
- 8 (4) Principles of the federal Real Estate Settlement Procedures
 9 Act (12 U.S.C. 2608).

10 An attorney in good standing who is admitted to the practice of law in
 11 Indiana and holds a license issued under IC 27-1-15.6 with a title
 12 qualification under IC 27-1-15.6-7(a)(8) may complete all or any
 13 number of hours of continuing education required by this subsection by
 14 completing an equivalent number of hours in continuing legal
 15 education courses related to the business of title insurance or any
 16 aspect of real property law.

17 (c) The following insurance producers are not required to complete
 18 continuing education courses to renew a license under this chapter:

- 19 (1) A limited lines producer who is licensed without examination
 20 under IC 27-1-15.6-18(1) or IC 27-1-15.6-18(2).
- 21 (2) A limited line credit insurance producer.
- 22 (3) An insurance producer who is at least seventy (70) years of
 23 age and has been a licensed insurance producer continuously for
 24 at least twenty (20) years immediately preceding the license
 25 renewal date.

26 (d) To satisfy the requirements of subsection (a) or (b), a licensee
 27 may use only those credit hours earned in continuing education courses
 28 completed by the licensee:

- 29 (1) after the effective date of the licensee's last renewal of a
 30 license under this chapter; or
- 31 (2) if the licensee is renewing a license for the first time, after the
 32 date on which the licensee was issued the license under this
 33 chapter.

34 (e) If an insurance producer receives qualification for a license in
 35 more than one (1) line of authority under IC 27-1-15.6, the insurance
 36 producer may not be required to complete a total of more than ~~forty~~
 37 **(40) twenty (20)** hours of credit in continuing education courses to
 38 renew the license.

39 (f) Except as provided in subsection (g), a licensee may receive
 40 credit only for completing continuing education courses that have been
 41 approved by the commissioner under section 4 of this chapter.

42 (g) A licensee who teaches a course approved by the commissioner
 43 under section 4 of this chapter shall receive continuing education credit
 44 for teaching the course.

45 (h) When a licensee renews a license issued under this chapter, the
 46 licensee must submit:

1 (1) a continuing education statement that:

2 (A) is in a format authorized by the commissioner;

3 (B) is signed by the licensee under oath; and

4 (C) lists the continuing education courses completed by the
5 licensee to satisfy the continuing education requirements of
6 this section; and

7 (2) any other information required by the commissioner.

8 (i) A continuing education statement submitted under subsection (h)
9 may be reviewed and audited by the department.

10 (j) A licensee shall retain a copy of the original certificate of
11 completion received by the licensee for completion of a continuing
12 education course.

13 (k) A licensee who completes a continuing education course that:

14 (1) is approved by the commissioner under section 4 of this
15 chapter;

16 (2) is held in a classroom setting; and

17 (3) concerns ethics;

18 shall receive continuing education credit for the number of hours for
19 which the course is approved plus additional hours, not to exceed two
20 (2) hours in a renewal period, equal to the number of hours for which
21 the course is approved.

22 SECTION 6. IC 27-1-15.8-4 IS AMENDED TO READ AS
23 FOLLOWS [EFFECTIVE JULY 1, 2007]: Sec. 4. ~~(a) During the period~~
24 ~~that a resident surplus lines producer's license is in effect, the licensee~~
25 ~~shall keep in force a bond in the penal sum of not less than twenty~~
26 ~~thousand dollars (\$20,000) with an authorized corporate surety~~
27 ~~approved by the commissioner. The aggregate liability of the surety for~~
28 ~~any and all claims on a bond does not exceed the penal sum of the~~
29 ~~bond. A bond may not be terminated unless written notice of~~
30 ~~termination is provided by the surety to the licensee and the~~
31 ~~commissioner not less than thirty (30) days before termination. Upon~~
32 ~~termination of a resident license for which a bond was in effect, the~~
33 ~~commissioner shall notify the surety of the termination within ten (10)~~
34 ~~business days. All surety protection under this section inures to the~~
35 ~~benefit of the state of Indiana to assure the payment of all premium~~
36 ~~taxes.~~

37 ~~(b) A resident surplus lines producer shall, at the time of an initial~~
38 ~~filing under subsection (c), file with the commissioner proof of the~~
39 ~~bond in the amount required under subsection (a). In each subsequent~~
40 ~~calendar year, the resident surplus lines producer shall file proof that~~
41 ~~the bond remains in effect. A subsequent filing under this subsection~~
42 ~~shall be made in conjunction with the annual filing required under~~
43 ~~subsection (e).~~

44 ~~(c) (a) In addition to all other charges, fees, and taxes that may be~~
45 ~~imposed by law, a surplus lines producer licensed under this chapter~~
46 ~~shall, on or before February 1 and August 1 of each year, collect from~~

1 the insured and remit to the department for the use and benefit of the
 2 state of Indiana an amount equal to two and one-half percent (2 1/2%)
 3 of all gross premiums upon all policies and contracts procured by the
 4 surplus lines producer under the provisions of this section during the
 5 preceding six (6) month period ending December 31 and June 30,
 6 respectively. The declarations page of a policy referred to in this
 7 subsection must itemize the amounts of all charges for taxes, fees, and
 8 premiums.

9 ~~(d)~~ **(b)** A licensed surplus lines producer shall execute and file with
 10 the department of insurance on or before the twentieth day of each
 11 month an affidavit that specifies all transactions, policies, and contracts
 12 procured during the preceding calendar month, including:

- 13 (1) the description and location of the insured property or risk and
- 14 the name of the insured;
- 15 (2) the gross premiums charged in the policy or contract;
- 16 (3) the name and home office address of the insurer whose policy
- 17 or contract is issued, and the kind of insurance effected; and
- 18 (4) a statement that:

19 (A) the licensee, after diligent effort, was unable to procure
 20 from any insurer authorized to transact the particular class of
 21 insurance business in Indiana the full amount of insurance
 22 required to protect the insured; and

23 (B) the insurance placed under this chapter is not placed for
 24 the purpose of procuring it at a premium rate lower than would
 25 be accepted by an insurer authorized and licensed to transact
 26 insurance business in Indiana.

27 ~~(e)~~ **(c)** A licensed surplus lines producer shall file with the
 28 department, not later than March 31 of each year, the financial
 29 statement, dated as of December 31 of the preceding year, of each
 30 unauthorized insurer from whom the surplus lines producer has
 31 procured a policy or contract. The insurance commissioner may, in the
 32 commissioner's discretion, after reviewing the financial statement of
 33 the unauthorized insurer, order the surplus lines producer to cancel an
 34 unauthorized insurer's policies and contracts if the commissioner is of
 35 the opinion that the financial statement or condition of the
 36 unauthorized insurer does not warrant continuance of the risk.

37 ~~(f)~~ **(d)** A licensed surplus lines producer shall keep a separate
 38 account of all business transacted under this section. The account may
 39 be inspected at any time by the commissioner or the commissioner's
 40 deputy or examiner.

41 ~~(g)~~ **(e)** An insurer that issues a policy or contract to insure a risk
 42 under this section is considered to have appointed the commissioner as
 43 the insurer's attorney upon whom process may be served in Indiana in
 44 any suit, action, or proceeding based upon or arising out of the policy
 45 or contract.

46 ~~(h)~~ **(f)** The commissioner may revoke or refuse to renew a surplus

- 1 lines producer's license for failure to comply with this section.
- 2 ~~(i)~~ **(g)** A surplus lines producer licensed under this chapter may
3 accept and place policies or contracts authorized under this section for
4 an insurance producer duly licensed in Indiana, and may compensate
5 the insurance producer even though the insurance producer is not
6 licensed under this chapter.
- 7 ~~(j)~~ **(h)** If a surplus lines producer does not remit an amount due to
8 the department within the time prescribed in subsection ~~(c)~~; **(a)**, the
9 commissioner shall assess the surplus lines producer a penalty of ten
10 percent (10%) of the amount due. The commissioner shall assess a
11 further penalty of an additional one percent (1%) of the amount due for
12 each month or portion of a month that any amount due remains unpaid
13 after the first month. Penalties assessed under this subsection are
14 payable by the surplus lines producer and are not collectible from an
15 insured."
- 16 Renumber all SECTIONS consecutively.
(Reference is to HB 1452 as printed February 20, 2007.)

Representative Klinker