Citations Affected: IC 9-25; IC 27-7-5.1-7; P.L. 124-2016, SECTION 5.

Synopsis: Motor vehicle insurance policy requirements. Changes the application of SEA 40-2016 from July 1, 2017, to July 1, 2018. Requires that a motor vehicle insurance policy issued or renewed after June 30, 2017, to establish financial responsibility must provide property damage coverage of $25,000 rather than $10,000.

Effective: July 1, 2017.
HOUSE BILL No. 1033

A BILL FOR AN ACT to amend the Indiana Code concerning insurance.

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

SECTION 1. IC 9-25-2-3, AS AMENDED BY P.L.124-2016, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 3. "Proof of financial responsibility" means proof of ability to respond in damages for each motor vehicle registered by a person for liability that arises out of the ownership, maintenance, or use of the motor vehicle in the following amounts:

1. Twenty-five thousand dollars ($25,000) because of bodily injury to or death of any one (1) person.
2. Subject to the limit in subdivision (1), fifty thousand dollars ($50,000) because of bodily injury to or death of two (2) or more persons in any one (1) accident.
3. Before July 1, 2018, ten thousand dollars ($10,000) because of injury to or destruction of property in any one (1) accident.
4. Beginning July 1, 2018, twenty-five thousand dollars ($25,000) because of injury to or destruction of property in any one (1) accident.

SECTION 2. IC 9-25-4-5, AS AMENDED BY P.L.124-2016,
SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 5. Except as provided in section 6 of this chapter, the minimum amounts of financial responsibility are as follows:

(1) Subject to the limit set forth in subdivision (2), twenty-five thousand dollars ($25,000) for bodily injury to or the death of one (1) individual.

(2) Fifty thousand dollars ($50,000) for bodily injury to or the death of two (2) or more individuals in any one (1) accident.

(3) Before July 1, 2018, ten thousand dollars ($10,000) for damage to or the destruction of property in one (1) accident. Beginning July 1, 2018, twenty-five thousand dollars ($25,000) for damage to or the destruction of property in one (1) accident.

SECTION 3. IC 9-25-4-10, AS AMENDED BY P.L.124-2016, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 10. (a) A person required to give proof of financial responsibility under this article may give proof of financial responsibility by delivering to the bureau a receipt from the treasurer of state showing a deposit with the treasurer of state of one (1) of the following:

(1) Before July 1, 2018, forty thousand dollars ($40,000) in cash or securities that may legally be purchased by savings banks. Beginning July 1, 2018, fifty thousand dollars ($50,000) in cash or securities that may legally be purchased by savings banks.

(2) Before July 1, 2018, trust funds with a market value of forty thousand dollars ($40,000). Beginning July 1, 2018, trust funds with a market value of fifty thousand dollars ($50,000).

(b) Money and securities deposited under this section are subject to execution to satisfy a judgment under this article within the limits of coverage and subject to the limits on amounts required by this chapter for motor vehicle liability policies. Money and securities deposited under this section are not subject to attachment or execution for a reason not listed under this article.

(c) The treasurer of state may not accept a deposit or issue a receipt for a deposit under this section, and the bureau may not accept a receipt for a deposit under this section, unless the person making the deposit provides evidence that there are no unsatisfied judgments against the person making the deposit registered in the office of the circuit court clerk of the county where the person making the deposit resides.

SECTION 4. IC 9-25-6-5, AS AMENDED BY P.L.124-2016, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 5. (a) A judgment referred to in this chapter is
considered satisfied only when the following conditions are fulfilled as appropriate:

(1) Subject to the limit in subdivision (2), twenty-five thousand dollars ($25,000) has been credited upon a judgment rendered in excess of that amount because of bodily injury to or death of one person as the result of one (1) accident.

(2) Fifty thousand dollars ($50,000) has been credited upon a judgment rendered in excess of that amount because of bodily injury to or death of two (2) or more persons as the result of any one (1) accident.

(3) Before July 1, 2018, ten thousand dollars ($10,000) has been credited upon a judgment or judgments rendered in excess of that amount because of injury to or destruction of property of others as a result of any one (1) accident. Beginning July 1, 2018, twenty-five thousand dollars ($25,000) has been credited upon a judgment or judgments rendered in excess of that amount because of injury to or destruction of property of others as a result of any one (1) accident.

(4) The judgment is satisfied by payment accepted by the judgment creditor in full satisfaction of all claims arising from bodily injury, death, or property damage arising from the motor vehicle accident involved in the judgment.

(b) A payment made in settlement of a claim because of bodily injury, death, or property damage arising from a motor vehicle accident shall be credited in reduction of the amounts provided for in this section.

SECTION 5. IC 27-7-5.1-7 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 7. (a) A policy of motor vehicle insurance (as defined in IC 27-1-22-26.1) that:

(1) is issued by an insurer to an insured to comply with the financial responsibility requirements described in IC 9-25-4-5; and

(2) is issued or renewed after June 30, 2017;

must provide at least twenty-five thousand dollars ($25,000) of coverage for damage to or destruction of property in any one (1) accident.

(b) This section expires December 31, 2019.

SECTION 6. P.L.124-2016, SECTION 5, IS REPEALED [EFFECTIVE JULY 1, 2017]. SECTION 5. (a) Notwithstanding IC 9-25-2-3, IC 9-25-4-5, IC 9-25-4-10, and IC 9-25-6-5, all as amended by this act; IC 9-25-2-3; IC 9-25-4-5; IC 9-25-4-10; and
IC 9-25-6-5; all as amended by this act, apply beginning July 1, 2017.

(b) This SECTION expires December 31, 2017.