

**IC 20-40-12**  
**Chapter 12. Self-Insurance Fund**

**IC 20-40-12-1**

**"Fund"**

Sec. 1. As used in this chapter, "fund" refers to a self-insurance fund established under section 4 of this chapter.

*As added by P.L.2-2006, SEC.163.*

**IC 20-40-12-2**

**"Health care services"**

Sec. 2. As used in this chapter, "health care services" has the meaning set forth in IC 27-8-11-1.

*As added by P.L.2-2006, SEC.163.*

**IC 20-40-12-3**

**"Self-insurance program"**

Sec. 3. As used in this chapter, "self-insurance program" means a program of self-insurance established or maintained by a governing body to provide coverage for health care services to a school corporation's employees and the employees' dependents.

*As added by P.L.2-2006, SEC.163.*

**IC 20-40-12-4**

**Establishment of fund**

Sec. 4. The governing body of each school corporation:

(1) may establish a self-insurance fund in accordance with this chapter for the purposes described in:

(A) section 5(1) through 5(3) of this chapter; and

(B) section 5(4) of this chapter as section 5(4) of this chapter applies to governing body or school employee coverage other than coverage for health care services; and

(2) shall, if the governing body elects to provide a self-insurance program to cover health care services, establish a self-insurance fund for the purposes described in section 5(4) of this chapter as section 5(4) of this chapter applies to health care services.

*As added by P.L.2-2006, SEC.163.*

**IC 20-40-12-5**

**Uses**

Sec. 5. The fund may be used to provide money for the following purposes:

(1) The payment of a judgment rendered against the school corporation, or rendered against an officer or employee of the school corporation for which the school corporation is liable under IC 34-13-2, IC 34-13-3, or IC 34-13-4 (or IC 34-4-16.5, IC 34-4-16.6, or IC 34-4-16.7 before their repeal).

(2) The payment of a claim or settlement for which the school corporation is liable under IC 34-13-2, IC 34-13-3, or IC 34-13-4 (or IC 34-4-16.5, IC 34-4-16.6, or IC 34-4-16.7

before their repeal).

(3) The payment of a premium, management fee, claim, or settlement for which the school corporation is liable under a federal or state statute, including IC 22-3 and IC 22-4.

(4) The payment of a settlement or claim for which insurance coverage is permitted under IC 20-26-5-4(15).

*As added by P.L.2-2006, SEC.163.*

#### **IC 20-40-12-6**

##### **Transfers to fund**

Sec. 6. Subject to the approval of the commissioner of insurance, the governing body of the school corporation may:

(1) transfer to the fund an amount of money in the general fund budget;

(2) transfer money from the general fund to the fund;

(3) appropriate money from the general fund for the fund; or

(4) transfer money from the capital projects fund to the fund, to the extent that money in the capital projects fund may be used for property or casualty insurance.

*As added by P.L.2-2006, SEC.163. Amended by P.L.146-2008, SEC.479.*

#### **IC 20-40-12-7**

##### **Balance; nonreverting**

Sec. 7. Any balance remaining in the fund at the end of the year does not revert to the general fund.

*As added by P.L.2-2006, SEC.163.*

#### **IC 20-40-12-8**

##### **Compliance with chapter; self-insurance programs**

Sec. 8. Subject to IC 20-26-5-4(15) and this chapter and notwithstanding any other law, a self-insurance program must comply with this chapter.

*As added by P.L.2-2006, SEC.163.*

#### **IC 20-40-12-9**

##### **Appeals**

Sec. 9. (a) A self-insurance program must provide for appeals to a review panel to:

(1) hear complaints; and

(2) resolve concerns;

regarding issues related to coverage, coverage discrimination, and access under the self-insurance program.

(b) The composition of the review panel under subsection (a):

(1) must reflect the populations covered under the self-insurance program;

(2) may include a member representative of each covered population; and

(3) must maintain a balance of administration and nonadministration members.

(c) Self-insurance program documents provided to individuals covered under the self-insurance program must specify the appeal process, including the name, address, and telephone number of the individual with whom an appeal may be filed.

*As added by P.L.2-2006, SEC.163.*

**IC 20-40-12-10**

**Incurred claim basis**

Sec. 10. (a) A self-insurance program must be written on an incurred claims basis.

(b) The governing body must fund a self-insurance program as described in section 4(2) of this chapter to include coverage for all eligible incurred claims.

(c) Subject to this chapter and notwithstanding any other law:

(1) contributions made on behalf of individuals covered under the self-insurance program, including employee and employer contributions; and

(2) transfers or allocations of funds by a governing body;

for coverage for health care services under a self-insurance program must be directly deposited into the fund and may not be transferred to other accounts or expended for any other purpose.

*As added by P.L.2-2006, SEC.163.*