

State of Idaho
DEPARTMENT OF INSURANCE

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HARRY C WALRATH
Director

B U L L E T I N NO. 91-17

DATE: November 6, 1991

TO: All Insurers Authorized to Write Insurance
in the State of Idaho

FROM: Harry C. Walrath
Director

SUBJECT: Proper Handling of Expenses Paid to Idaho Contract
Examiners

A memo produced in 1987 by a former Idaho Department of Insurance employee has come to the attention of the Director. This memo explicitly advised insurance companies not to issue 1099's for expense monies paid to Idaho Contract Examiners while participating on examinations of their company.

This Bulletin is to inform insurers that the contents of said memo do not represent the policy of the Idaho Department of Insurance. Based on an opinion drafted by a qualified accounting firm, per Federal IRS guidelines, a 1099 must, be generated for any expense reimbursement over a certain amount (currently this amount is \$600) paid directly by an insurer to an independent contractor (Examiner). The Federal IRS regulations should be followed and in no way does this Department condone deviating from federal law.

All Examiners representing Idaho will cooperate fully in order that insurers can fulfill their obligations to the federal government.