

State of Idaho
DEPARTMENT OF INSURANCE

CECIL D ANDRUS
Governor

500 South 10th Street
Boise, Idaho 83720
Phone (208)334-2250
FAX # (208)334-2298

GEORGE J NEUMAYER
Acting Director

BULLETIN NO. 91-4

DATE: May 2, 1991
TO: TO ALL INSURERS WRITING WORKERS' COMPENSATION
FROM: George J. Neumayer
Acting Director
SUBJECT: Workers' Compensation Large Deductible Programs

After a thorough review of the insurance code and the applicable workers' compensation statutes in Idaho, it is our opinion that the large deductible programs for workers' compensation violate the statutory requirement of Idaho Code Section 72-306. This statute reads in pertinent part as follows:

Every policy of insurance and every guaranty contract or surety bond covering the liability of the employer for compensation shall cover the entire compensation liability of the employer to his employees.

This code section requires a workers' compensation policy of insurance to cover the entire compensation liability of the employer to his employees. Large deductible programs do not meet the requirements of Section 72-306, and therefore, any employer using such programs would not be in compliance with the state workers' compensation statutes. It is therefore felt that the use of the programs would be unfavorably prejudicial and potentially deceptive to insureds. In light of such findings and pursuant to the authority granted by Idaho Code Section 41-1813(2), the Department is hereby withdrawing its approval of all large deductible programs in the state of Idaho.