

Independent Adjuster Examination Content Outline

(50 scored questions total. 75-minute time limit)

GENEAL KNOWLEDGE

I. INSURANCE TERMS AND RELATED CONCEPTS

- A. Insurable interest
- B. Hazard
- C. Peril
- D. Loss (Direct vs indirect)
- E. Proximate cause
- F. Deductible
- G. Indemnity
- H. Actual cash value
- I. Replacement cost
- J. Limits of liability (Combined vs split)
- K. Coinsurance/insurance to value
- L. Pair and set clause
- M. Extensions of coverage
- N. Additional coverages
- O. Accident
- P. Occurrence
- Q. Cancellation
- R. Nonrenewal
- S. Vacancy and unoccupancy
- T. Abandonment
- U. Liability
- V. Negligence
- W. Burglary
- X. Robbery
- Y. Theft
- Z. Mysterious disappearance
- AA. Bodily injury liability
- BB. Property damage liability
- CC. Personal injury liability
- DD. Insured contract
- EE. Certificate of insurance
- FF. First vs third party
- GG. Excess vs reinsurance
- HH. Primary vs secondary coverage
- II. Coordination of Benefits (Medicare/Medicaid/Workers' Compensation/Personal Health)
- JJ. Methods of Resolution (Appraisal, Arbitration, Mediation, Litigation, Subrogation)
- KK. Statute of Limitations

II. POLICY PROVISIONS AND CONTRACT LAW

- A. Declarations
- B. Insuring agreement
- C. Conditions
- D. Exclusions
- E. Definition of the insured
- F. Duties of the insured after a loss
- G. Obligations of the insurer
- H. Mortgagee rights
- I. Proof of loss
- J. Notice of claim
- K. Appraisal
- L. Other insurance provision
- M. Subrogation
- N. Arbitration
- O. Elements of a contract
- P. Warranties, representations, and concealment
- Q. Additional (supplementary) payments
- R. Claims made policy form
- S. Salvage
- T. Loss settlement provisions including consent to settle loss
- U. Limitations
- V. Notice of Injury
- W. Coinsurance

III. TYPES OF POLICIES

- A. Personal lines
 - 1. Dwellings and contents (DP forms)
 - 2. Personal liability
 - 3. Homeowners (HO forms)
 - 4. Mobile homes
 - 5. Renters
 - 6. Farmowners/Ranchers
- B. Boiler and machinery coverage forms
- C. Automotive: personal auto and business (commercial) auto
 - 1. Liability
 - 2. Medical payments
 - 3. Physical damage (collision and other than collision/comprehensive)
 - 4. Uninsured motorists
 - 5. Underinsured motorists
 - 6. Definitions
- 7. Types of auto
 - a. Owned
 - b. Non-owned
 - c. Hired
 - d. Temporary substitute
- 8. Garage coverage form
 - a. Standard coverages
 - (1) Liability
 - (2) Garagekeepers
 - (3) Physical damage
 - b. Garagekeepers options
- 9. Truckers coverage form
- 10. Inland Marine/Cargo
- 11. Commercial General Liability
- 12. Commercial Property

IDAHO SPECIFIC KNOWLEDGE

Ref: All references are to Idaho Insurance Laws Title 41 unless otherwise noted

I. IDAHO STATUTES, RULES, AND REGULATIONS COMMON TO ALL LICENSES

- A. Responsibilities of the Director of the Department of Insurance ... *Ref: 41-117, 41-117A, 41-202, 41-203, 41-210 to 41-213, 41-219, 41-220, 41-232, 41-235, 41-247, 41-1321*
1. Appointment
 2. Examinations
 3. Hearings/notice of hearings/orders
 4. General duties and powers
 5. Penalties
- B. Definitions ... *Ref: 41-106, 41-110, 41-111, 41-112, 41-301, 41-302, 41-305, 41-306, 41-2902*
1. Domestic, foreign, alien companies
 2. Authorized and unauthorized companies
 3. Stock and mutual companies and reciprocals
 4. Transacting insurance
 5. Certificate of authority
- C. Licensing ... *Ref: 41-1003, 41-1004, 41-1005, 41-1006 to 41-1013, 41-1016, 41-1018, 41-1019, 41-1026, 41-1036, 41-1103, 41-1223, IDAPA 18.01.53.012.01*
1. Persons required to be licensed
 - a. Producer
 - b. Resident/nonresident
 - c. Surplus lines
 2. Producer appointment/termination of appointment
 3. Obtaining a license
 - a. Qualifications
 - b. License application
 - c. Written examinations
 - d. Exemptions/exceptions
 - e. License denial/refusal
 4. Maintaining a license
 - a. Continuing education
 - b. Fees/renewal
 - c. Record keeping
 - d. License expiration
 - e. Change of address/place of business
 - f. Suspension or revocation of licenses/Felony convictions
- D. Producer responsibilities ... *Ref: 41-1017, 41-1021, 41-1024, 41-1030; 41-1323, IDAPA 18.01.52*
1. Fiduciary capacity
 2. Reporting of actions
 3. Commissions and compensation
 4. Charging of fees and disclosure requirements
- E. Insurance contracts ... *Ref: 41-1328, 41-1807, 41-1812, 41-1828*
1. Filing and approval of policy forms
 2. Payment of claims
 3. Power to contract
- F. Marketing practices ... *Ref: 41-117, 41-258, 41-290, 41-293, 41-1016, 41-1303 to 41-1306, 41-1308 to 41-1315, 41-1327 to 41-1329A, 41-1839, 41-3611, Bulletin 03-08*
1. Unfair claims practices
 2. Penalties
 3. Unfair methods of competition
 - a. Fraud
 - b. Twisting
 - c. Rebating
 - d. Defamation
 - e. False advertising
 - f. Misrepresentation
 - g. Coercion of borrower
 - h. Unfair discrimination
 - i. False financial statements
 - j. Boycott, coercion, intimidation

II. IDAHO STATUTES, RULES, AND REGULATIONS COMMON TO PROPERTY AND CASUALTY INSURANCE ONLY

- A. Insurance contracts ... *Ref: 41-1329, 41-1401, 41-1402, 41-1405, 41-1806, 41-1811, 41-1814, 41-1815, 41-1817, 41-1828, 41-1831, 41-1841 to 41-1843, 41-2401, 41-2506 to 41-2510, ISO Personal Auto Policy*
1. Renewal, nonrenewal, cancellation
 2. Policies
 - a. Commercial
 - b. Homeowners
 - c. Personal auto
 - d. Casualty
 3. Unfair Claims Settlement
- B. Rate filings
- C. Businessowners policy (BOP)
- D. Business auto policy

III. IDAHO STATUTES, RULES, AND REGULATIONS PERTINENT TO PROPERTY INSURANCE ONLY

- A. Claims methods and practices ... *Ref: 41- 258*
- B. Standard fire policy ... *Ref: 41-1842, 41-2401*
- C. Marine/inland marine ... *Ref: 41-505, 41-1401*

IV. IDAHO STATUTES, RULES, AND REGULATIONS PERTINENT TO CASUALTY INSURANCE ONLY

- A. Financial responsibility ... *Ref: Title 41-2510; 49-117, 41-1212; IDAPA 18.01.34*
1. Proof of financial responsibility defined
 2. Persons required to show proof
 3. Penalty for noncompliance ... *Ref: Title 49-1208*
 4. Methods of satisfying financial responsibility

- B. Uninsured/underinsured motorists coverage ...*Ref: 41-2502, 41-2504, Title 49-117*
 - C. Assigned risk plan ...*Ref: 41-1441, 41-2508, Title 49-1225,*
 - D. Payment of claims ... *Ref: 41-1238*
 - E. Payment of claims (collision) ... *Ref: 41-1238*
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V. Worker's Compensation Insurance

- A. Standard policy concepts ... *Ref: 72-402*
 - B. Self-insured vs insured ... *Ref: 72-301, 72-301A*
 - C. Work-related vs. non-work-related (AOE/COE)
 - D. Other states' insurance ... *Ref: 72-222*
 - E. Jurisdiction ... *Ref: 41-220, 72-217*
 - F. Exclusive remedy ... *Ref: 72-209, 72-211*
 - G. Accident/injury vs occupational disease ...*Ref: 72-102(18)(22)*
 - H. Reporting/Making claim ... *Ref: 72-602, 72-701*
 - I. Statute of limitations for medical vs indemnity benefits ... *Ref: 72-706*
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Statutes, Bulletins and IDAPAs for the Idaho Knowledge Portion of the Exam

41-110. "AUTHORIZED," "UNAUTHORIZED" INSURER DEFINED.

- (1) An "authorized" insurer is one duly authorized by a subsisting certificate of authority issued by the director to transact insurance in this state.
 - (2) An "unauthorized" insurer is one not so authorized.
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41-111. "CERTIFICATE OF AUTHORITY," "LICENSE" DEFINED.

- 1) A "certificate of authority" is one issued by the director evidencing the authority of an insurer to transact insurance in this state.
 - 2) A "license" is authority granted by the director pursuant to this code authorizing the licensee to engage in a business or operation of insurance in this state other than as an insurer, and the certificate by which such authority is evidenced.
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41-117. GENERAL PENALTY.

Each violation of this code for which a greater penalty is not provided by another provision of this code or by other applicable laws of this state, shall in addition to any applicable prescribed denial, suspension, or revocation of certificate of authority or license be punishable by an administrative penalty of not more than one thousand dollars (\$1,000) for any individual or natural person and not more than five thousand dollars (\$5,000) for any other person, imposed by the director, and upon conviction by a fine of not more than one thousand dollars (\$1,000) or by imprisonment in the county jail for a period not to exceed six (6) months, or by both such fine and imprisonment in the discretion of the court. Each instance of violation may be considered a separate offense.

41-117A. PENALTY FOR TRANSACTING INSURANCE WITHOUT PROPER LICENSING.

The director may impose an administrative penalty not to exceed fifteen thousand dollars (\$15,000), for deposit in the general account of the state of Idaho, upon any person who transacts insurance of any kind or character or transmits for a person, other than himself, an application for a policy of insurance without proper licensing, or after such licensing shall have been suspended or revoked.

41-202. DIRECTOR -APPOINTMENT -TERM -QUALIFICATIONS.

- (1) The director of the department of insurance shall be the chief executive officer of the department of insurance.
 - (2) The director shall be appointed by the governor and shall hold office for a term of four (4) years, subject to earlier removal by the governor. A vacancy in the office of director shall be filled for the balance of the unexpired term only.
 - (3) The governor shall not appoint as director any individual, and no individual shall hold the office of director, who is not qualified therefor as follows:
 - (a) Must be a qualified elector of the state of Idaho; and
 - (b) Must have had at least five (5) years' practical experience in one or more of the types of insurance business subject to regulation by the director, or have had other professional or business experience reasonably adequate in character and scope to equip him to discharge the duties and fulfill the responsibilities of the office of director.
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41-203. TERMS CONSTRUED.

Wherever the words "commissioner of insurance" or "insurance commissioner" appear in title 41, Idaho Code, or elsewhere in the Idaho Code, they shall be understood and construed to mean the director of the department of insurance.

41-211. RULES.

- (1) The director may make reasonable rules necessary for or as an aid to the effectuation of any provision of this code. No such rule shall extend, modify, or conflict with any law of this state or the reasonable implications thereof.
 - (2) Any such rule affecting persons or matters other than the personnel or the internal affairs of the department shall be made or amended in accordance with the provisions of chapter 52, title 67, Idaho Code.
 - (3) In addition to any other penalty provided, wilful violation of any such rule shall subject the violator to such suspension or revocation of certificate of authority or license as may be applicable under this code as for violation of the provision as to which such rule relates.
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41-212. ORDERS, NOTICES.

- (1) Orders and notices of the director shall be effective only when in writing signed by him or by his authority.
 - (2) Every such order shall state its effective date, and shall concisely state:
 - (a) Its intent or purpose.
 - (b) The grounds on which based.
 - (c) The provisions of this code pursuant to which action is taken or proposed to be taken; but failure to so designate a particular provision shall not deprive the director of the right to rely thereon.
 - (3) Except as may be provided in this code respecting particular procedures, an order or notice may be given by:
 - (a) Personal service upon the person to be ordered or notified;
 - (b) Mailing it, postage prepaid, by regular United States mail, or by certified mail, return receipt requested, addressed to the person at his residence or principal place of business as last of record in the department; or
 - (c) Where a party has appeared in a contested case or has not yet appeared but has consented or agreed in writing to service by facsimile transmission (FAX) or e-mail as an alternative to personal service or service by mail, such orders or notices may be served by FAX or by e-mail in lieu of service by mail or personal service.
 - (4) Service of orders and notices is complete when a copy is personally served upon the person to be served, or when a copy properly addressed and postage prepaid is deposited in the United States mail or the statehouse mail, if the person is a state employee or state agency, or when there is an electronic verification that a FAX or an e-mail has been sent.
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41-213. ENFORCEMENT.

- (1) The director may institute such suits or other lawful proceedings as he may deem necessary for the enforcement of any provision of title 41, Idaho Code. If the director believes that any person has engaged in or is about to engage in any act or practice constituting a violation of any provision of title 41, Idaho Code, any other law the director has authority to enforce, or any rule or order of the director, the director may, in accordance with the procedures set forth in title 41, Idaho Code, and chapter 52, title 67, Idaho Code:
 - (a) Issue an order requiring the person to cease and desist from any prohibited act or practice;
 - (b) Issue an order affecting a person's license for such reasons as set forth in title 41, Idaho Code;
 - (c) Issue an order imposing an administrative penalty as provided in title 41, Idaho Code; and
 - (d) Initiate any action in district court for the same relief or any relief authorized by title 41, Idaho Code.
- (2) If the director believes that any person is violating or about to violate any provision of title 41, Idaho Code, or any order or requirement of the director issued or promulgated pursuant to authority expressly granted the director by any provision of title 41, Idaho Code, or by other law, the director may bring an action against such person in the name of the people of the state of Idaho in a district court of this state to enjoin such person from continuing such violation or doing any act in furtherance thereof. In the action the court may enter such order or judgment granting such preliminary or final injunction as the court determines to be proper.
- (3) If the director has reason to believe that any person has violated any provision of title 41, Idaho Code, or any provision of other law applicable to insurance operations, for which criminal prosecution is provided and would be in order, he shall give the information relative thereto to the attorney general or county attorney having jurisdiction of any such violation. The attorney general or county attorney shall promptly institute such action or proceedings against such person as the information may require or justify.
- (4) Whenever the director may deem it necessary, he shall employ counsel, or call upon the attorney general of this state for legal counsel and such assistance as may be necessary.

41-220. EXAMINATION OF AGENTS, BROKERS, CONSULTANTS, MANAGERS, ADJUSTERS, PROMOTERS.

For the purpose of ascertaining compliance with law, and in addition to any right of examination otherwise provided, the director may as often as he deems advisable examine the accounts, records, documents, and transactions, pertaining to or affecting its insurance affairs or proposed insurance affairs, of:

- (1) any insurance agent, broker, solicitor, consultant, surplus line broker, general agent, or adjuster.
- (2) Any person(s) having a contract under which he enjoys in fact the exclusive or dominant right to manage or control an insurer.
- (3) Any person holding the shares of voting stock or policyholder proxies of a domestic insurer, for the purpose of controlling the management thereof, as voting trustee or otherwise.
- (4) Any person engaged in this state in, or proposing to be engaged in this state in, or holding himself out in this state as so engaging or proposing, or in this state assisting in, the promotion or formation of an insurer or insurance holding corporation, or corporation to finance an insurer or the production of its business.

41-232. HEARINGS IN GENERAL.

- (1) The director may hold a hearing which he deems necessary for any purpose within the scope of this code.
- (2) The director shall hold a hearing:
 - (a) If required by any provision of this code; or
 - (b) Upon written demand for a hearing by a person aggrieved by any act, threatened act or failure of the director to act, or by any report, rule, regulation or order of the director (other than an order for the holding of a hearing, or an order on a hearing of which hearing such person had actual notice or pursuant to such order).
- (3) Any such demand for a hearing shall summarize the information and grounds to be relied upon as a basis for the relief to be sought at the hearing.
- (4) The director shall hold such demanded hearing within thirty (30) days after his receipt of the demand, unless postponed by mutual consent. Failure to hold the hearing shall constitute a denial of the relief sought, and shall be the equivalent of an order on hearing for the purpose of an appeal.
- (5) In any administrative proceeding of the director where a hearing is otherwise authorized or required by law, if a party with respect to whom the hearing is to be held waives the hearing in writing, or fails to plead, or to defend or prosecute, as the case may be, and that fact is made known to the director by affidavit or otherwise, the right of hearing shall be deemed to have been waived, and, any other provision of this code to the contrary notwithstanding, without holding or concluding a hearing the director may, upon satisfactory proof of service of the petition or complaint upon such a party, enter an order which shall be as lawful as to such party as if all allegations in the petition or complaint relative to or concerning such party were proved or admitted at a hearing. For good cause shown, the director may, in his discretion, set aside any order so entered, and the proceedings may continue as if no waiver or default had existed.

41-235. NOTICE OF HEARING.

- (1) Except where a longer period of notice is provided by other provisions of this code relative to particular matters, not less than fourteen (14) days in advance the director shall give notice of the time and place of the hearing, stating the matters to be considered thereat. If the persons to be given notice are not specified in the provision pursuant to which hearing is held, the director shall give such notice to all persons whose pecuniary interests are to be directly and immediately affected by such hearing.
- (2) If any such hearing would otherwise require separate notices to more than one hundred (100) persons, in lieu of the notice required under such subsection the director may give notice of the hearing by publishing the notice in at least three (3), but not to exceed five (5), daily newspapers, at least once each week during the four (4) weeks immediately preceding the week in which the hearing is to be held. The director shall select such newspapers, as to location and circulation, as he deems necessary to give adequate opportunity of notice to such persons as should receive notice of the hearing. The published notice shall state the time and place of the hearing and shall specify the

matters to be considered thereat. At the time of first publication the director shall mail to every advisory organization which has filed with him pursuant to section 41-1425, Idaho Code, a copy of the published notice if the proposed hearing would affect any interest of the members of such advisory organization.

(3) All such notices, other than published notices, shall be given as provided in section 41-212, Idaho Code.

41-247. INQUIRY POWERS OF DIRECTOR.

The director shall have power to direct an inquiry in writing to any person subject to his jurisdiction with respect to any insurance transaction or matter relative to a subject of insurance resident, located, or to be performed in this state. The person to whom such an inquiry is addressed shall upon receipt thereof promptly furnish to the director all requested information which is in his possession or subject to his control.

41-258.

Every fire insurance company must report to the fire marshal, within 7 days of a settlement of \$1,000 or more or death or personal injury. The report needs state the date of fire, the amount of property loss/personal injury, type of stuff destroyed/ damaged, and cause of the fire. The report is in addition to any other report they have to file.

41-305. CERTIFICATE OF AUTHORITY REQUIRED.

- (1) No person shall act as an insurer and no insurer or its agents, attorneys, subscribers, or representatives shall directly or indirectly transact insurance in this state except as authorized by a subsisting certificate of authority issued to the insurer by the director, except as to such transactions as are expressly otherwise provided for in this code.
 - (2) No insurer shall from offices or by personnel or facilities located in this state solicit insurance applications or otherwise transact insurance in another state or country unless it holds a subsisting certificate of authority issued to it by the director authorizing it to transact the same kind or kinds of insurance in this state.
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41-306. EXCEPTIONS TO CERTIFICATE OF AUTHORITY REQUIREMENT.

A certificate of authority and application therefor pursuant to section 41-319, Idaho Code, shall not be required of an insurer with respect to the following:

- (1) Investigation, settlement, or litigation of claims under its policies lawfully written in this state, or liquidation of assets and liabilities of the insurer (other than collection of new premiums), all as resulting from its former authorized operations in this state.
 - (2) Transactions thereunder subsequent to issuance of a policy covering only subjects of insurance not resident, located or expressly to be performed in this state at time of issuance, and lawfully solicited, written and delivered outside this state.
 - (3) Transactions pursuant to surplus lines coverages lawfully written under chapter 12, title 41, Idaho Code.
 - (4) Reinsurance, when transacted by an insurer duly authorized by its state of domicile to transact the kind of insurance involved.
 - (5) The continuation and servicing of life insurance or disability insurance policies or annuity contracts remaining in force as to residents of this state if the insurer has withdrawn from the state and is not transacting new insurance therein.
 - (6) A foreign insurer licensed and authorized to sell individual or group accident and sickness insurance in another state as defined pursuant to section 41-306A, Idaho Code, and the insurer obtains a certificate of authority pursuant to that section.
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41-505. "MARINE AND TRANSPORTATION INSURANCE" DEFINED.

"Marine and transportation insurance" includes:

- (1) Insurance against any kind of loss or damage to:
 - (a) Vessels, craft, aircraft, cars, automobiles and vehicles of every kind, as well as all goods, freights, cargoes, merchandise, effects, disbursements, profits, moneys, bullion, precious stones, securities, choses in action, evidences of debt, valuable papers, bottomry and respondentia interests and all other kinds of property and interests therein, in respect to, appertaining to or in connection with any and all risks or perils of navigation, transit, or transportation, including war risks, on or under any seas or other waters, on land or in the air, or while being assembled, packed, crated, baled, compressed or similarly prepared for shipment or while awaiting the same or during any delays, storage, transshipment, or reshipment incident thereto, including marine builder's risks and all personal property floater risks, and
 - (b) Person or to property in connection with or appertaining to a marine, inland marine, transit or transportation insurance, including liability for loss of or damage to either, arising out of or in connection with the construction, repair, operation, maintenance or use of the subject matter of such insurance (but not including life insurance or surety bonds nor insurance against loss by reason of bodily injury to the person arising out of the ownership, maintenance or use of automobiles), and
 - (c) Precious stones, jewels, jewelry, gold, silver and other precious metals, whether used in business or trade or otherwise and whether the same be in course of transportation or otherwise, and
 - (d) Bridges, tunnels and other instrumentalities of transportation and communication (excluding buildings, their furniture and furnishings, fixed contents and supplies held in storage) unless fire, tornado, sprinkler leakage, hail, explosion, earthquake, riot and/or civil commotion are the only hazards to be covered; piers, wharves, docks and slips, excluding the risks of fire, tornado, sprinkler leakage, hail, explosion, earthquake, riot and/or civil commotion; other aids to navigation and transportation, including dry docks and marine railways, against all risks.
 - (2) "Marine protection and indemnity insurance," meaning insurance against, or against legal liability of the insured for, loss, damage or expense arising out of, or incident to, the ownership, operation, chartering, maintenance, use, repair or construction of any vessel, craft or instrumentality in use in ocean or inland waterways, including liability of the insured for personal injury, illness or death or for loss of or damage to the property of another person.
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41-1003. DEFINITIONS.

- (1) "Business entity" means a corporation, association, partnership, limited liability company, limited liability partnership or other legal entity.
- (2) "Home state" means the District of Columbia and any state or territory of the United States or any province of Canada in which an insurance producer maintains his or her principal place of residence or principal place of business and is licensed to act as an insurance producer.
- (3) "License" means a document issued by the director authorizing a person to act as an insurance producer for the lines of authority specified in the document. The license itself does not create any authority, actual, apparent or inherent, in the holder to represent or commit an insurance carrier.
- (4) "Limited lines insurance" is insurance which restricts the authority of the license to less than the total authority prescribed in the associated major lines pursuant to section 41-1008(1)(a) through (g), Idaho Code, and shall include, but not be limited to: credit life, credit disability, credit property, credit unemployment, involuntary unemployment, mortgage life, mortgage guaranty, mortgage disability, guaranteed automobile protection (GAP) insurance, transportation baggage insurance, transportation ticket policies covering personal accident insurance, pet insurance, portable electronics insurance, travel insurance or any other line of insurance that the director deems necessary to recognize for the purposes of complying with section 41-1009(5), Idaho Code.
- (5) "Limited lines producer" means a producer authorized by the director to sell, solicit or negotiate limited lines insurance. "Limited lines producer" includes a "limited lines travel insurance producer" as used in sections 41-1090 through 41-1096, Idaho Code.
- (6) "Negotiate" means the act of conferring directly with or offering advice directly to a purchaser or prospective purchaser of a particular contract of insurance concerning any of the substantive benefits, terms or conditions of the contract, provided that the person engaged in the act either sells insurance or obtains insurance from insurers for purchasers.
- (7) "Person" means an individual or a business entity.
- (8) "Producer" means a person required to be licensed under the laws of this state to sell, solicit or negotiate insurance.
- (9) "Resident" means a person whose home state is Idaho or any other particular state identified in conjunction with the use of the term.
- (10) "Sell" means to exchange a contract of insurance by any means, for money or its equivalent, on behalf of an insurance company.
- (11) "Solicit" means attempting to sell insurance or asking or urging a person to apply for a particular kind of insurance from a particular company or companies.
- (12) "Terminate" means the cancellation of the relationship between an insurance producer and the insurer or the termination of a producer's authority to transact insurance for or on behalf of an insurer.
- (13) "Uniform application" means the current version of the national association of insurance commissioners (NAIC) uniform application for resident and nonresident producer licensing.
- (14) "Uniform business entity application" means the current version of the NAIC uniform business entity application for resident and nonresident business entities.

41-1005. EXCEPTIONS TO LICENSING.

- (1) Nothing in this chapter shall be construed to require an insurer to obtain an insurance producer license. In this section, the term "insurer" does not include an insurer's officers, directors, employees, subsidiaries or affiliates.
- (2) A license as an insurance producer shall not be required of the following:
 - (a) An officer, director or employee of an insurer or of an insurance producer, provided that the officer, director or employee does not receive any commission on policies written or sold to insure risks residing, located or to be performed in this state and:
 - (i) The activities of the officer, director or employee are executive, administrative, managerial, clerical or a combination of these, and are only indirectly related to the sale, solicitation or negotiation of insurance; or
 - (ii) The function of the officer, director or employee relates to underwriting, loss control, inspection or the processing, adjusting, investigating or settling of a claim on a contract of insurance; or
 - (iii) The officer, director or employee is acting in the capacity of a special agent or agency supervisor assisting insurance producers where the person's activities are limited to providing technical advice and assistance to licensed insurance producers and do not include the sale, solicitation or negotiation of insurance;
 - (b) A person who secures and furnishes information for the purpose of group life insurance, group property and casualty insurance, group annuities, group or blanket accident and health insurance, or for the purpose of enrolling individuals under plans, issuing certificates under plans or otherwise assisting in administering plans, or performs administrative services relating to mass-marketed property and casualty insurance, and who does not receive a commission;
 - (c) An employer or association or its officers, directors, employees or the trustees of an employee trust plan, to the extent that the employer, association, officer, employee, director or trustee is engaged in the administration or operation of a program of employee benefits for the employer's or association's own employees or the employees of its subsidiaries or affiliates, which involves the use of insurance issued by an insurer, as long as the employer, association, officer, director, employee or trustee is not in any manner compensated, directly or indirectly, by the company issuing the contracts;
 - (d) Employees of insurers or organizations employed by insurers who are engaging in the inspection, rating or classification of risks, or in the supervision of the training of insurance producers, and who are not individually engaged in the sale, solicitation or negotiation of insurance, and who do not receive a commission;
 - (e) A person whose activities in this state are limited to advertising without the intent to solicit insurance in this state through communications in printed publications or other forms of electronic mass media whose distribution is not limited to residents of the state, provided that the person does not sell, solicit or negotiate insurance that would insure risks residing, located or to be performed in this state;

- (f) A person who is not a resident of this state who sells, solicits or negotiates a contract of insurance for commercial property and casualty risks to an insured with risks located in more than one (1) state insured under that contract, provided that the person is otherwise licensed as an insurance producer to sell, solicit or negotiate that insurance in the state where the insured maintains its principal place of business and the contract of insurance insures risks located in that state;
 - (g) A salaried full-time employee who counsels or advises his or her employer relative to the insurance interests of the employer or of the subsidiaries or business affiliates of the employer, provided that the employee does not sell or solicit insurance or receive a commission; or
 - (h) A person who, concurrent with the rental of a motor vehicle, provides contract options to the standard rental agreement which provides auto and travel related coverages through authorized insurers during a rental period not to exceed ninety (90) days.
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41-1006. APPLICATION FOR EXAMINATION.

- (1) A resident individual applying for an insurance producer license shall pass a written examination unless exempt pursuant to section 41-1008(4) or 41-1012, Idaho Code. The examination shall test the knowledge of the individual concerning the lines of authority for which application is made, the duties and responsibilities of an insurance producer and the insurance laws and rules of this state. Examinations required by this section shall be developed and conducted under rules prescribed by the director of the department of insurance.
 - (2) Each individual applying for an examination shall remit a nonrefundable fee as promulgated by the director pursuant to section 41-401, Idaho Code.
 - (3) An individual who fails to appear for the examination as scheduled or who fails to pass the examination shall reapply for an examination and remit all required fees and forms before being rescheduled for another examination.
 - (4) Applications for licensure not received by the department within one hundred eighty (180) days of the successful completion of the examination shall be denied.
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41-1007. APPLICATION FOR PRODUCER LICENSE.

- (1) A person applying for a resident insurance producer license shall make application to the director on the uniform application and declare under penalty of refusal, suspension or revocation of the license that the statements made in the application are true, correct and complete to the best of the applicant's knowledge and belief. Before approving the application, the director shall find that the applicant:
 - (a) Is at least eighteen (18) years of age;
 - (b) Has submitted the applicant's fingerprints as may be required by the director;
 - (c) Has not committed any act that is a ground for denial, suspension or revocation of the license as set forth in title 41, Idaho Code;
 - (d) Has paid the fees prescribed by the director pursuant to section 41-401, Idaho Code; and
 - (e) Has successfully passed the examinations for the lines of authority for which the applicant has applied.
 - (2) A business entity acting as an insurance producer is required to obtain an insurance producer license. Application shall be made using the uniform business entity application. Before approving the application, the director shall find that:
 - (a) The business entity has paid the fees prescribed by the director pursuant to section 41-401, Idaho Code; and
 - (b) The business entity has designated a licensed producer, who is an individual responsible for the business entity's compliance with the insurance laws and rules of this state.
 - (3) The director may require any documents which are reasonably necessary to verify the information contained in an application.
 - (4) Each insurer that sells, solicits or negotiates any form of limited line insurance shall provide to each individual whose duties will include selling, soliciting or negotiating limited lines insurance a program of instruction that may be required to be approved by the director. If acceptable to the director, and as stated by rule, the program of instruction may be administered in place of the examination as required in section 41-1006, Idaho Code. In addition, such course of instruction may be administered in place of any continuing education requirements pursuant to section 41-1013, Idaho Code.
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41-1008. PRODUCER LICENSE.

- (1) Unless denied licensure pursuant to section 41-1016, Idaho Code, persons who have met the requirements of sections 41-1006 and 41-1007, Idaho Code, shall be issued an insurance producer license. An insurance producer may receive qualification for a license in one (1) or more of the following lines of authority:
 - (a) Life insurance coverage on human lives, including benefits of endowment and annuities, benefits in the event of death or dismemberment by accident, and benefits for disability income;
 - (b) Disability, including accident and health or sickness insurance coverage for sickness, bodily injury or accidental death and benefits for disability income;
 - (c) Property insurance coverage for the direct or consequential loss or damage to property of every kind;
 - (d) Casualty insurance coverage against legal liability, including liability for death, injury or disability or damage to real or personal property;
 - (e) Variable life and variable annuity products, meaning insurance coverage provided under variable life insurance contracts and variable annuities;
 - (f) Personal lines, meaning property and casualty insurance coverage sold to individuals and families for primarily noncommercial purposes;
 - (g) Any other line of insurance permitted under state laws or rules.
- (2) An insurance producer license shall remain in effect unless revoked or suspended as long as the renewal fee promulgated by the director pursuant to section 41-401, Idaho Code, is paid and the continuing education requirements for resident insurance producers are met in accordance with section 41-1013, Idaho Code.

- (3) An individual insurance producer who allows his or her license to lapse may, within twelve (12) months from the due date of the renewal fee, reinstate the same license without passing a written examination unless the licensee would otherwise be required to retest under section 41-1013(7), Idaho Code. However, a penalty in the amount of double the unpaid renewal fee shall be required for any renewal fee received after the due date.
 - (4) A licensed insurance producer who is unable to comply with license renewal procedures due to military service or some other extenuating circumstance, such as a long-term medical disability, may request that the director waive those procedures. The producer may also request a waiver of any examination requirement or any other fine or sanction imposed for failure to comply with renewal procedures.
 - (5) The license shall contain the licensee's name, address, personal identification number, the date of issuance, the lines of authority, the expiration date and any other information the director deems necessary.
 - (6) Licensees shall inform the director by any means acceptable to the director of a change of address within thirty (30) days of the change. A business entity licensed as a producer shall inform the director by any means acceptable to the director of any change in ownership, officers, directors or the designated licensed producer responsible for compliance pursuant to section 41-1007(2)(b), Idaho Code.
 - (7) In order to assist in the performance of the director's duties, the director may contract with nongovernmental entities, including the national association of insurance commissioners or its affiliates or subsidiaries, to perform any ministerial functions related to producer licensing, including the collection of fees, that the director and the nongovernmental entity may deem appropriate.
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41-1009. NONRESIDENT PRODUCER LICENSE.

- (1) Unless denied licensure pursuant to section 41-1016, Idaho Code, a nonresident applicant shall receive a nonresident producer license if:
 - (a) The applicant is currently licensed as a resident and in good standing in his or her home state;
 - (b) The applicant has submitted the proper request for licensure and has paid the fees set forth by rule pursuant to section 41-401, Idaho Code;
 - (c) The applicant has submitted or transmitted to the director the application for licensure that the applicant submitted to his or her home state or, in lieu of such application, a completed uniform application;
 - (d) The applicant has submitted the applicant's fingerprints, if required by the director, on a form as prescribed by the director; and
 - (e) The applicant's home state awards nonresident producer licenses to residents of this state on the same basis.
 - (2) The director may verify the producer's licensing status through the producer database maintained by the national association of insurance commissioners, its affiliates or subsidiaries, or by any other acceptable means.
 - (3) A nonresident producer who moves from one state to another state or a resident producer who moves from this state to another state shall file a change of address and provide certification from the new resident state within thirty (30) days of the change of legal residence. No fee or license application shall be required for filing the change of address.
 - (4) Notwithstanding any other provision of this chapter, a person licensed as a surplus lines broker in his or her home state shall receive a nonresident surplus lines broker license pursuant to subsection (1) of this section. Except as to subsection (1) of this section, nothing in this section otherwise amends or supersedes any provision of section 41-1223, Idaho Code.
 - (5) Notwithstanding any other provision of this chapter, a person licensed as a limited lines producer in his or her home state shall receive a nonresident limited lines producer license, pursuant to subsection (1) of this section, granting the same scope of authority as granted under the license issued by the producer's home state. For the purposes of this subsection, limited lines insurance is any authority granted by the home state which restricts the authority of the license to less than the total authority prescribed in the associated major lines pursuant to section 41-1008(1)(a) through (g), Idaho Code.
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41-1010. NONRESIDENT PRODUCERS -SERVICE OF PROCESS.

- (1) Each person applying to be a nonresident producer shall, on a form prescribed by the director, appoint the director as his agent for purposes of receiving service of legal process issued against the producer in this state upon causes of action arising within this state out of transactions under the license. Service upon the director as an agent shall constitute effective legal service upon the producer.
 - (2) The appointment shall be irrevocable for as long as there could be any cause of action against the licensee arising out of his insurance transactions in or with respect to this state.
 - (3) Duplicate copies of such legal process against the licensee shall be served upon the director by a person competent to serve a summons. At the time of service the plaintiff shall pay the director an appropriate fee to be determined by rule and not exceeding thirty dollars (\$30.00).
 - (4) Upon receiving such service, the director shall send one (1) copy of the process by registered or certified mail with return receipt requested to the defendant licensee at his last address of record with the director.
 - (5) The director shall keep a record of the day and hour of such service upon him. No proceedings shall be brought against the producer, and the producer shall not be required to appear, plead or answer until the expiration of thirty (30) days after the date of service upon the director.
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41-1011. ISSUANCE -REFUSAL OF LICENSE.

If after completion of application for a license, the taking and passing of any examination required under this chapter and, if required by the director, receipt of a report from the federal bureau of investigation based on the fingerprints of the applicant, the director finds that the applicant has fully met the requirements for a license, the director shall issue the license to the applicant; otherwise, the director shall refuse to issue the license and shall promptly notify the applicant and any appointing insurer or insurers of such refusal and state the grounds for the refusal. Pending the receipt of the report from the federal bureau of investigation, the director may, in his discretion, issue a temporary license if all other qualifications have been met.

41-1012. EXEMPTION FROM EXAMINATION.

- (1) An individual who applies for an insurance producer license in this state and who was previously licensed for the same lines of authority in another state shall not be required to complete any prelicensing examination if:
 - (a) The person is currently licensed in another state; or
 - (b) The application is received within ninety (90) days of the cancellation of the applicant's previous license and the prior state issues a certification that:
 - (i) At the time of cancellation, the applicant was in good standing in that state; or
 - (ii) The state's producer database records, as maintained by the national association of insurance commissioners or its affiliates or subsidiaries, indicate that the producer is or was licensed in good standing for the lines of authority requested.
 - (2) A person licensed as an insurance producer in another state who moves to this state shall make application within ninety (90) days of establishing legal residence to become a resident licensee pursuant to section 41-1006, Idaho Code. No examination shall be required of that person to obtain any line of authority previously held in the prior state unless the director provides otherwise by rule.
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41-1013. CONTINUATION - EXPIRATION OF LICENSES - CONTINUING EDUCATION STATEMENT.

- (1) All producer, adjuster, and surplus line broker licenses issued under this code shall continue in force until expired, suspended, revoked or otherwise terminated, subject to payment of the applicable continuation fee on or before the expiration date referred to in subsection (2) of this section, accompanied by a written request for such continuation and a continuing education statement verifying that the licensee has completed any continuing education requirements imposed by the director. An application for renewal is not complete unless it is submitted with both the applicable fee and the completed continuing education statement. Requests for continuation shall be made in writing on forms to be prescribed by the director.
 - (2) The director may fix the dates of expiration for licenses in such manner as is deemed by him to be advisable for an efficient distribution of the workload of his office. If the expiration date for a particular license or appointment would shorten the period for which the license or appointment continuation fee has been paid, no refund of an unearned fee shall be made. If the expiration date for a particular license or appointment would lengthen the period for which a license or appointment continuation fee has been paid, the director shall charge no additional fee for such lengthened period.
 - (3) Any license referred to in subsection (1) of this section for which no request for continuation, fee and completed continuing education statement are timely received by the director shall be deemed to have expired at midnight on the applicable expiration date.
 - (4) All sums tendered as fees for continuations of licenses as producer, limited lines producer, adjuster or surplus line broker shall be deemed earned when paid and shall not be subject to refund, except that the director shall refund any duplicate payment of fees.
 - (5) For the protection of the people of this state the director shall establish, by rule, additional educational requirements designed to maintain and improve the insurance skills and knowledge of resident producers after licensure by the department of insurance. The director shall also establish, by rule, an advisory committee comprised of representatives from each segment of the insurance industry to assist the director in prescribing additional educational requirements. Such rules promulgated by the director shall include limits on the terms of service for members of the committee.
 - (6) Subject to subsection (3) of this section, the director shall not permit to be continued the license of any producer who is licensed pursuant to section 41-1007, Idaho Code, who is a resident of this state, unless such person has demonstrated to the satisfaction of the director that in addition to meeting the standards contained in sections 41-1007, (qualifications for producer license), Idaho Code, as may be applicable, all the additional educational requirements as the director may prescribe by rule have been met.
 - (7) Failure of the licensee to comply with any applicable additional education requirements prescribed by the director by rule by the expiration date of the license shall be grounds for the director to refuse to continue any such license. The licensee may reinstate his or her license by submitting proof of all education requirements within ninety (90) days from the date of expiration of the license and by submitting an additional administrative penalty of one hundred dollars (sections 41-1007, (qualifications for producer license), Idaho Code, as may be applicable, all the additional educational requirements as the director may prescribe by rule have been met.
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41-1016. ADMINISTRATIVE PENALTY -SUSPENSION, REVOCATION, REFUSAL OF LICENSE.

- 1) The director may impose an administrative penalty not to exceed one thousand dollars (\$1,000), for deposit in the general fund of the state of Idaho, and may suspend for not more than twelve (12) months or may revoke or refuse to issue or continue any license issued under this chapter, chapter 27, title 41, Idaho Code (title insurance), chapter 11, title 41, Idaho Code (adjusters), or chapter 12, title 41, Idaho Code (surplus lines brokers), if the director finds that as to the licensee or applicant any one (1) or more of the following causes or violations exist:
 - (a) Providing incorrect, misleading, incomplete or materially untrue information in the license application;
 - (b) Violating any provision of title 41, Idaho Code, department rule, subpoena or order of the director or of another state's insurance director;
 - (c) Obtaining or attempting to obtain a license through misrepresentation or fraud;
 - (d) Improperly withholding, misappropriating or converting any moneys or properties received in the course of doing insurance business;
 - (e) Misrepresenting the terms of an actual or proposed insurance contract or application for insurance or misrepresenting any fact material to any insurance transaction or proposed transaction;
 - (f) Being convicted of or pleading guilty to a crime that is deemed relevant in accordance with section 67-9411(1), Idaho Code, or that evidences dishonesty, a lack of integrity and financial responsibility, or an unfitness and inability to provide acceptable service to the consuming public;
 - (g) Admitting or being found to have committed any insurance unfair trade practice or fraud;

- (h) Using fraudulent, coercive or dishonest practices, or demonstrating incompetence, untrustworthiness or financial irresponsibility, or being a source of injury and loss to the public or others, in the conduct of business in this state or elsewhere;
 - (i) Having an insurance license denied, suspended or revoked in any other state, province, district or territory;
 - (j) Forging another's name on an application for insurance or on any document related to an insurance transaction;
 - (k) Improperly using notes or any other reference material to complete an examination for an insurance license;
 - (l) Knowingly accepting insurance business from an individual who is not licensed;
 - (m) Failing to comply with an administrative or court order imposing a child support obligation, provided however, that nothing in this provision shall be deemed to abrogate or modify chapter 14, title 7, Idaho Code;
 - (n) Failing to pay state income tax or to comply with any administrative or court order directing payment of state income tax; or
 - (o) In the case of a bail agent, compensating or agreeing to compensate any incarcerated person to influence or encourage another incarcerated person or other incarcerated persons to engage the bail agent's services or the services of the bail agent's company or of other bail agents employed by such bail company. For purposes of this subsection, compensating any incarcerated person shall include providing payment in any form to any person, organization or entity designated by the incarcerated person to receive such payment.
- 2) The director shall, without hearing, suspend for not more than twelve (12) months, or shall revoke or refuse to continue any license issued under this chapter to a nonresident where:
- (a) The director has received a final order of suspension, revocation or refusal to continue from the insurance regulatory official or court of jurisdiction of the licensee's home state; or
 - (b) A nonresident no longer has a license in the licensee's home state because the home state license was:
 - (i) Voluntarily surrendered for any reason except relicensing as a resident in another state; or
 - (ii) Otherwise nonrenewed by the nonresident and remains nonrenewed for a period greater than ninety (90) days beyond its expiration date, and without notice to the director of relicensing as a resident in another state.If cause under this provision exists after the expiration of the twelve (12) months, successive suspensions may be imposed by the director without hearing.
- 3) The license of a business entity may be suspended, revoked or refused if the director finds that the violation of an individual licensee, who is registered to or acting on behalf of the business entity, was known or should have been known by one (1) or more of the owners, officers or managers acting on behalf of the business entity and that the violation was not reported to the director and no corrective action was taken.
- 4) In addition to or in lieu of any applicable denial, suspension or revocation of a license, a person may, after hearing, be subject to a civil fine or administrative penalty pursuant to subsection (1) of this section or any other applicable section.
- 5) The director shall retain the authority to enforce the provisions of and impose any penalty or remedy authorized by title 41, Idaho Code, against any person who is under investigation for or charged with a violation of title 41, Idaho Code, or department rule, even if the person's license or registration has been surrendered or has lapsed by operation of law, or if the person has never been licensed.

41-1026. PROCEDURE FOLLOWING SUSPENSION, REVOCATION, DENIAL -REINSTATEMENT.

- (1) Upon suspension, revocation, or refusal to continue any license, the director shall notify the licensee as provided in section 41-212(3), Idaho Code, and, in the case of a producer who holds appointments from insurers, shall give like notice to the insurers represented.
- (2) Suspension, revocation, or refusal of any one (1) license held by the licensee under title 41, Idaho Code, shall automatically suspend, revoke or refuse continuation of all other licenses held by the licensee under title 41, Idaho Code.
- (3) The director shall not issue a license under title 41, Idaho Code, to or as to any person whose license has been revoked or continuance refused until after the expiration of not less than one (1) year, to a maximum of five
- (5) years, from the date of such revocation or refusal, which time period shall be set forth in the final order, or, if judicial review of such revocation or refusal is sought, not less than one (1) year, to a maximum of five (5) years, from the date of a final court order or decree affirming the revocation or refusal. If no time period is specified in the final order or final court order or decree, the time period shall be one (1) year. In the event the former licensee again files an application for a license under title 41, Idaho Code, the director may require the applicant to show good cause why the prior revocation or refusal to continue his license shall not be deemed a bar to the issuance of a new license.
- (4) The director shall not issue a license under title 41, Idaho Code, to any person whose application for a license was previously denied until after the expiration of one (1) year from the date of such license denial or, if judicial review of such license denial is sought, one (1) year from the date of a final court order or decree affirming the license denial.

41-1036. RECORDS.

- (1) A producer holding a license under this chapter shall make available through his principal place of business complete records of transactions placed through or countersigned by the producer.
- (2) Records as provided in subsection (1) of this section shall include, but not be limited to:
 - (a) The names and addresses of insurer and insured;
 - (b) The number and expiration date of the policy or contract;
 - (c) The premium payable as to the policy or contract;
 - (d) The date, time, insurer, insured and coverage of every binder made by the producer;
 - (e) All disclosures made by a producer to an insured or to a prospective insured; and
 - (f) Such other information as the director may reasonably require.

- (3) The records shall be kept available for inspection by the director for at least five (5) years after the creation or the completion, whichever is later, of the respective transactions. The records may be maintained offsite and in electronic form if the records can be made available for inspection through the producer's principal place of business upon reasonable notice by the director.
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41-1102. "ADJUSTER" DEFINED.

- (1) An "adjuster" is a person who, on behalf of the insurer, for compensation as an independent contractor or as the employee of such an independent contractor, or for fee or commission, investigates and negotiates settlement of claims arising under insurance contracts.
- (2) None of the following is an "adjuster" for the purposes of this chapter:
- (a) A licensed attorney at law who is qualified to practice law in this state.
 - (b) The salaried employee of an authorized insurer, or group of such insurers under common control or ownership, or of a managing general agent, who adjusts losses for such insurer or insurers or for the authorized insurers represented by the general agent.
 - (c) The licensed agent of an authorized insurer who, at the insurer's request, from time to time adjusts or assists in adjustment of losses arising under policies issued by such insurer.
 - (d) An individual who collects claim information from, or furnishes claim information to, claimants or those who are insured and who conducts data entry, including entering data into an automated claims adjudication system, provided that the individual is an employee of a licensed adjuster or its affiliate where no more than twenty-five (25) such persons are under the supervision of one (1) licensed adjuster or licensed agent. A licensed agent who acts as a supervisor or adjusts claims pursuant to the provisions of this paragraph is not required to also be licensed as an adjuster. For purposes of this section, "automated claims adjudication system" means a pre-programmed computer system designed for the collection, data entry, calculation and final resolution of portable electronics insurance claims that:
 - (i) May only be utilized by a licensed adjuster, licensed agent or supervised individuals operating pursuant to the provisions of this paragraph;
 - (ii) Must comply with all claims payment requirements of the insurance code; and
 - (iii) Must be certified as compliant with this section by a licensed adjuster who is an officer of a licensed business entity pursuant to the provisions of this chapter.
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41-1103. LICENSE REQUIRED.

No person shall in this state be, act as, or advertise or hold himself out to be, an adjuster unless then licensed as an adjuster under this chapter. No resident of Canada may be licensed as a resident adjuster or may designate Idaho as his home state, unless such person has successfully passed the adjuster examination and has complied with the other applicable provisions of this chapter. No resident of Canada may be licensed as a nonresident adjuster unless such person has obtained a resident or home state adjuster license in another state.

41-1104. QUALIFICATIONS FOR ADJUSTER'S LICENSE.

- (1) Except as provided in subsection (2) of this section, the director shall not issue, continue, or permit to exist any license as an adjuster as to any person not qualified therefor as follows:
- (a) Must be a natural person not less than twenty-one (21) years of age.
 - (b) Must be trustworthy, and be of good character and reputation as to morals, integrity, and financial responsibility, and must not have been convicted of any crime that is deemed relevant in accordance with section 67-9411(1), Idaho Code.
 - (c) Must be a salaried employee of a licensed adjuster, or must have had experience or special education or training as to the investigation and settlement of loss of claims under insurance contracts of sufficient duration and extent reasonably to satisfy the director as to his competence to fulfill the responsibilities of an adjuster.
 - (d) If required by the director, must pass a written examination to test his knowledge of the duties and responsibilities of an adjuster and of matters involved in transactions under an adjuster's license. The examination shall be subject to the same applicable provisions as apply pursuant to title 41, Idaho Code, to examinations for license as insurance agent.
- (2) A firm or corporation, whether or not organized under the laws of this state, may be licensed as an adjuster if each individual who is to exercise the license powers in this state is separately licensed, or is named in the firm or corporation license, and is qualified as for an individual license as adjuster under subsection (1) of this section. An additional full license fee shall be paid as to each individual in excess of one (1) so named in the firm or corporation license to exercise its powers.
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41-1105. APPLICATION FOR LICENSE.

The individual desiring to be licensed as an adjuster shall make written application therefor to the director, on forms as prescribed and furnished by the director. The application shall be accompanied by payment of the fee for the license as set forth by rule pursuant to section 41-401, Idaho Code.

41-1106. SCOPE OF LICENSE.

Under his license an adjuster shall have authority to act as adjuster on behalf of the insurer only as to losses under insurance contracts.

41-1107. EMERGENCY ADJUSTERS.

No adjuster's license or qualifications shall be required as to any adjuster who is sent into this state by and on behalf of an authorized insurer or adjusting firm or corporation for the purpose of investigating or making adjustment of a particular loss under an insurance policy issued by an authorized insurer or as a lawful surplus line contract, or for the purpose of temporarily assisting or substituting for a licensed adjuster who is incapacitated due to illness, injury, or any unforeseeable or uncontrollable incident, or for the adjustment of a series of losses resulting from a catastrophe common to all such losses.

41-1212. EXEMPTIONS FROM SURPLUS LINE LAW.

- (1) The provisions of this surplus line law controlling the placing of insurance with unauthorized insurers shall not apply to reinsurance or, except as to subsection (2) below, to the following insurances when so placed by licensed agents or surplus line brokers of this state:
 - (a) Ocean marine and foreign trade insurances.
 - (b) Insurance on subjects located, resident, or to be performed wholly outside of this state, or on vehicles or aircraft owned and principally garaged outside this state.
 - (c) Insurance on operations of railroads engaged in transportation in interstate commerce and their property used in such operations.
 - (d) Insurance of aircraft owned or operated by manufacturers of aircraft, or of aircraft operated in commercial scheduled interstate flight, or cargo of such aircraft, or against liability, other than worker's compensation and employer's liability, arising out of the ownership, maintenance or use of such aircraft.
- (2) Brokers so placing any such insurance with an unauthorized insurer shall keep a full and true record of each such coverage in detail as required of surplus line insurance under this law. The record shall be preserved for not less than five (5) years from the effective date of the insurance and shall be kept available in this state and open to the examination of the director. The broker shall furnish to the director at his request and on forms as designated and furnished by him a report of all such coverages so placed in a designated calendar year.
- (3) The following sections apply only when the insured's home state is Idaho:
 - (a) Section 41-1214, Idaho Code (conditions for export);
 - (b) Section 41-1215, Idaho Code (broker's affidavit);
 - (c) Section 41-1216, Idaho Code (open lines for export);
 - (d) Section 41-1217, Idaho Code (eligible surplus lines insurers);
 - (e) Section 41-1218, Idaho Code (eligible surplus line insurers -penalty for violation);
 - (f) Section 41-1219, Idaho Code (evidence of the insurance -changespenalty);
 - (g) Section 41-1220, Idaho Code (endorsement of contract);
 - (h) Section 41-1227, Idaho Code (records of broker);
 - (i) Section 41-1228, Idaho Code (annual report of broker);
 - (j) Section 41-1229, Idaho Code (tax on surplus lines);
 - (k) Section 41-1233, Idaho Code (report and tax of independently procured coverages);
 - (l) Section 41-1234, Idaho Code (records of insureds).

41-1321. PROCEDURES AS TO UNDEFINED PRACTICES.

[(1)] Whenever the director has reason to believe that any person engaged in the business of insurance is engaging in this state in any method of competition or in any act or practice in the conduct of such business which is not expressly prohibited or defined in this chapter, that such method of competition is unfair or that such act or practice is unfair or deceptive and that a proceeding by him in respect thereto would be to the interest of the public, he may issue and serve upon such person a statement of the charges in that respect and a notice of a hearing thereon as provided for in chapter 2, title 41, Idaho Code, or seek any other relief authorized by title 41, Idaho Code.

41-1328. PAYMENT OF CLAIMS BY INSURERS.

Every insurer issuing a motor vehicle insurance policy, as defined in chapter 5, title 41, Idaho Code, shall, in the event of damage to a covered motor vehicle by collision and the election by the insurer to have such motor vehicle repaired, make payment by check or draft, payable to the repairer or to the named insured and the repairer, jointly, no later than twenty (20) days subsequent to receipt of an itemized bill or invoice covering repairs authorized by the insurer which have been satisfactorily completed.

41-1329. UNFAIR CLAIM SETTLEMENT PRACTICES.

Pursuant to section 41-1302, Idaho Code, committing or performing any of the following acts or omissions intentionally, or with such frequency as to indicate a general business practice shall be deemed to be an unfair method of competition or an unfair or deceptive act or practice in the business of insurance:

- (1) Misrepresenting pertinent facts or insurance policy provisions relating to coverages at issue;
- (2) Failing to acknowledge and act reasonably promptly upon communications with respect to claims arising under insurance policies;
- (3) Failing to adopt and implement reasonable standards for the prompt investigation of claims arising under insurance policies;
- (4) Refusing to pay claims without conducting a reasonable investigation based upon all available information;
- (5) Failing to affirm or deny coverage of claims within a reasonable time after proof of loss statements have been completed;
- (6) Not attempting in good faith to effectuate prompt, fair and equitable settlements of claims in which liability has become reasonably clear;
- (7) Compelling insureds to institute litigation to recover amounts due under an insurance policy by offering substantially less than the amounts ultimately recovered in actions brought by such insureds;
- (8) Attempting to settle a claim for less than the amount to which a reasonable man would have believed he was entitled by reference to written or printed advertising material accompanying or made part of an application;
- (9) Attempting to settle claims on the basis of an application which was altered without notice to, or knowledge or consent of the insured;
- (10) Making claims payments to insureds or beneficiaries not accompanied by a statement setting forth the coverage under which the payments are being made;
- (11) Making known to insureds or claimants a policy of appealing from arbitration awards in favor of insureds or claimants for the purpose of compelling them to accept settlements or compromises less than the amount awarded in arbitration;

- (12) Delaying the investigation or payment of claims by requiring an insured, claimant, or the physician of either to submit a preliminary claim report and then requiring the subsequent submission of formal proof of loss forms, both of which submissions contain substantially the same information;
 - (13) Failing to promptly settle claims, where liability has become reasonably clear, under one portion of the insurance policy coverage in order to influence settlements under other portions of the insurance policy coverage; or
 - (14) Failing to promptly provide a reasonable explanation of the basis in the insurance policy in relation to the facts or applicable law for denial of a claim or for the offer of a compromise settlement.
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41-1401. Scope of chapter.

- (1) Except as provided in section 41-1619 (other provisions applicable, workmen's compensation rates), and except as provided in subsection (3) below, this chapter applies to property, marine and transportation, inland marine, casualty (other than workmen's compensation coverages) and surety (other than the insurance or guaranty of the obligations of employers under workmen's compensation laws) insurances, as such property, marine and transportation, casualty and surety insurances are defined in chapter 5, title 41, Idaho Code, on risks located or operations to be performed in this state.
 - (2) "Inland marine" insurance shall be deemed to include insurance now or hereafter defined by statute, or by interpretation thereof, or if not so defined or interpreted, by ruling of the director, or as established by general custom of the business, as inland marine insurance.
 - (3) This chapter shall further not apply as to:
 - (a) Reinsurance, other than joint reinsurance to the extent stated in section 41-1426;
 - (b) Insurance of vessels or craft, their cargos, marine builders' risks, marine protection and indemnity; or other risks commonly insured under marine, as distinguished from inland marine, insurance policies;
 - (c) Insurance against loss of or damage to aircraft or against liability arising out of ownership, maintenance or use of aircraft, nor to insurance of hulls of aircraft, including their accessories and equipment;
 - (d) Any domestic self-insurer for fire; or
 - (e) Any reciprocal insurer writing hazards or perils for its members exclusively associated with a single industry.
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41-1402. Purpose of law — Interpretation.

- (1) The purpose of this chapter is to promote the public welfare by regulating insurance rates as herein provided to the end that they shall not be excessive, inadequate or unfairly discriminatory, and to authorize and regulate cooperative action among insurers in rate making and in other matters within the scope of this chapter.
 - (2) It is the express intent of this chapter to permit and encourage competition between insurers on a sound financial basis, and nothing in this chapter is intended to give the director power to fix and determine a rate level by classification or otherwise.
 - (3) This chapter shall be liberally interpreted to carry into effect the provisions of this section.
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41-1405. Rate standards.

- (1) Rates shall not be excessive, inadequate or unfairly discriminatory.
 - (2) No rate shall be held to be excessive unless the director finds that:
 - (a) Such rate is unreasonably high for the insurance provided, and
 - (b) A reasonable degree of competition does not exist in Idaho with respect to the classification to which the rate is applicable.
 - (3) No rate shall be held to be inadequate unless the director finds that:
 - (a) Such rate is unreasonably low for the insurance provided and the continued use of such rate endangers the solvency of the insurer using the same, or
 - (b) Such rate is unreasonably low for the insurance provided and the use of such rate by the insurer using the same has, or if continued will have, the effect of destroying competition or creating a monopoly.
 - (4) Neither of such findings shall be made by the director except after a hearing on reasonable notice.
 - (5) Nothing contained in this chapter shall be construed to repeal or modify the provisions of chapter 13, title 41 (trade practices and frauds), Idaho Code, and any rate, rating classification, rating plan or schedule, or variation thereof, established in violation of any of such provisions shall, in addition to the consequences stated in such chapter or elsewhere, be deemed a violation of this section.
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41-1441. Assigned risks.

Agreements may be made among casualty insurers with respect to the equitable apportionment among them of insurance which may be afforded applicants who are in good faith entitled to but who are unable to procure such insurance through ordinary methods, and such insurers may agree among themselves on the use of reasonable rate modifications for such insurance, such agreements and rate codifications to be subject to the approval of the director. Premium charges for the assigned risk plan shall not be excessive, inadequate, nor unfairly discriminatory and shall provide sufficient revenue to make the plan self-sustaining and self-supporting.

41-1806. Insurable interest — Property.

- (1) No contract of insurance of property or of any interest in property or arising from property shall be enforceable as to the insurance except for the benefit of persons having an insurable interest in the things insured as at the time of the loss.
 - (2) "Insurable interest" as used in this section means any actual, lawful, and substantial economic interest in the safety or preservation of the subject of the insurance free from loss, destruction, or pecuniary damage or impairment.
 - (3) The measure of an insurable interest in property is the extent to which the insured might be directly damaged by loss, injury, or impairment thereof.
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41-1811. Representations in applications.

All statements and descriptions in any application for an insurance policy or annuity contract, or in negotiations therefor, by or in behalf of the insured or annuitant, shall be deemed to be representations and not warranties. Misrepresentations, omissions, concealment of facts, and incorrect statements shall not prevent a recovery under the policy or contract unless either:

- (a) Fraudulent; or
 - (b) Material either to the acceptance of the risk, or to the hazard assumed by the insurer; or
 - (c) The insurer in good faith would either not have issued the policy or contract, or would not have issued it at the same premium rate, or would not have issued a policy or contract in as large an amount, or would not have provided coverage with respect to the hazard resulting in the loss, if the true facts had been made known to the insurer as required either by the application for the policy or contract or otherwise.
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41-1814. Standard provisions in general.

- (1) Insurance contracts shall contain such standard or uniform provisions as are required by the applicable provisions of this code pertaining to contracts of particular kinds of insurance. The director may waive the required use of a particular provision in a particular insurance policy form if:
 - (a) He finds such provision unnecessary for the protection of the insured and inconsistent with the purposes of the policy, and
 - (b) The policy is otherwise approved by him.
 - (2) No policy shall contain any provision inconsistent with or contradictory to any standard or uniform provision used or required to be used, but the director may approve any substitute provision which is, in his opinion, not less favorable in any particular to the insured or beneficiary than the provisions otherwise required.
 - (3) In lieu of the provisions required by this code for contracts for particular kinds of insurance, substantially similar provisions required by the law of the domicile of a foreign or alien insurer may be used when approved by the director.
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41-1815. Contents of policies in general.

- (1) Every policy shall specify:
 - (a) The names of the parties to the contract.
 - (b) The subject of the insurance.
 - (c) The risks insured against.
 - (d) The time when the insurance thereunder takes effect and the period during which the insurance is to continue.
 - (e) The premium.
 - (f) The conditions pertaining to the insurance.
 - (2) If under the policy the exact amount of premium is determinable only at stated intervals or termination of the contract, a statement of the basis and rates upon which the premium is to be determined and paid shall be included.
 - (3) Subsections (1) and (2) above shall not apply as to surety contracts, or to group insurance policies.
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41-1817. Additional policy contents.

A policy may contain additional provisions not inconsistent with this code and which are:

- (1) Required to be inserted by the laws of the insurer's domicile;
 - (2) Necessary, on account of the manner in which the insurer is constituted or operated, in order to state the rights and obligations of the parties to the contract, or
 - (3) Desired by the insurer and neither prohibited by law nor in conflict with any provisions required to be included therein.
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41-1828. PAYMENT DISCHARGES INSURER -PAYMENT TO MARITAL COMMUNITY.

- (1) Whenever the proceeds of or payments under a life or disability insurance policy or annuity contract heretofore or hereafter issued become payable in accordance with the terms of such policy or contract, or the exercise of any right or privilege thereunder, and the insurer makes payment thereof in accordance with the terms of the policy or contract or in accordance with any written assignment thereof, the person then designated in the policy or contract or by such assignment as being entitled thereto shall be entitled to receive such proceeds or payments and to give full acquittance therefor, and such payments shall fully discharge the insurer from all claims under the policy or contract unless, before payment is made, the insurer has received at its home office written notice by or on behalf of some other person that such other person claims to be entitled to such payment or some interest in the policy or contract.
 - (2) Where the person designated in the policy or contract or by assignment as being entitled thereto is a member of a marital community, whether husband or wife, and the policy or contract is upon the life or disability of either, he or she may receive payment, and shall be and is constituted agent of the marital community with authority to give full acquittance therefor; and such payment to the marital community agent so designated shall fully discharge the insurer from all claims under the policy or contract, but no rights of either member of the marital community, as between themselves, to accounting or division shall be impaired or affected by such payment.
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41-1831. Forms for proof of loss to be furnished.

An insurer shall furnish, upon written request of any person claiming to have a loss under an insurance contract issued by such insurer, forms of proof of loss for completion by such person, but such insurer shall not, by reason of the requirement so to furnish forms, have any responsibility for or with reference to the completion of such proof or the manner of any such completion or attempted completion.

41-1841. Block cancellations and block nonrenewals — Notice to director required.

- (1) Any insurer intending to implement block cancellations or block nonrenewals of insurance policies shall provide the director written notice of such intentions no later than one hundred twenty (120) days prior to such intended action. Such notice shall fully set forth reasons for such action and shall include additional information that the director may deem appropriate. Failure by any insurer to comply

with the requirements of this section shall constitute a violation of the provisions of this section and shall render any policy cancellations or nonrenewals by the insurer null and void and without effect. The failure of any insurer to comply with the requirements of this section shall not affect the contract rights of insureds.

- (2) At the end of sixty (60) days the intended insurer action shall be deemed approved unless prior thereto it has been affirmatively approved by order of the director.
- (3) Block cancellations or block nonrenewals for the provisions of this section and the enforcement of this code, shall be defined to include any of the following: cancellation or nonrenewal of any class, line, type or subject of insurance, or the withdrawal from the business of insurance in Idaho.
- (4) The requirements of this section are not a waiver or limitation of the provisions of this code, or other laws of this state, but are additional requirements.
- (5) The director may issue reasonable regulations to establish requirements for reporting required herein.

41-1842. Commercial insurance — Cancellation — Nonrenewal.

(1) Applicability. The provisions of this section apply only to:

- (a) Commercial property insurance policies;
- (b) Commercial liability insurance policies other than aviation and employer's liability insurance policies;
- (c) Commercial multiperil insurance policies.

The provisions of this section do not apply to: block cancellations or block nonrenewals as provided in section 41-1841, Idaho Code, reinsurance, excess and surplus lines insurance, residual market risks, worker's compensation insurance, multistate location risks, policies subject to retrospective rating plans, excess or umbrella policies and such other policies that are exempted by the director of the department of insurance.

(2) Definitions. For the purposes of this section:

- (a) "Cancellation" means termination of a policy at a date other than its expiration date.
- (b) "Expiration date" means the date upon which coverage under a policy ends. It also means, for a policy written for a term longer than one (1) year or with no fixed expiration date, each annual anniversary date of such policy.
- (c) "Nonpayment of premium" means the failure or inability of the named insured to discharge any obligation in connection with the payment of premiums on a policy of insurance subject to this section, whether such payments are payable directly to the insurer or its agent or indirectly payable under a premium finance plan or extension of credit.
- (d) "Nonrenewal" or "not to renew" means termination of a policy at its expiration date.
- (e) "Renewal" or "to renew" means the issuance, or the offer so to issue, by an insurer of a policy succeeding a policy previously issued and delivered by the same insurer or an insurer within the same group of insurers, or the issuance of a certificate or notice extending the term of an existing policy for a specified period beyond its expiration date.

(3) Notice of cancellation.

(a) Permissible cancellations. If coverage under a policy has not been in effect for sixty (60) days and the policy is not a renewal, cancellation of such policy shall be effected by mailing or delivering a written notice to the first-named insured at the last known mailing address shown on the policy at least thirty (30) days before the effective date of the cancellation, provided however, if such cancellation is for the reason stated in subsection (3)(a)(i) of this section, the time such cancellation may be effective following notice shall be as provided in subsection (3)(b)(i) of this section. A cancellation requested by the insured shall be effective on the later of the date requested by the insured or the date it is received by the insurer. After coverage has been in effect for more than sixty (60) days or after the effective date of a renewal policy, whichever is earlier, no insurer shall cancel a policy unless the cancellation is based on at least one (1) of the following reasons:

- (i) Nonpayment of premium.
- (ii) Fraud or material misrepresentation made by or with the knowledge of the named insured in obtaining the policy, continuing the policy, or in presenting a claim under the policy.
- (iii) Activities or omissions on the part of the named insured which increase any hazard insured against, including a failure to comply with loss control recommendations.
- (iv) Change in the risk which materially increases the risk of loss after insurance coverage has been issued or renewed including, but not limited to, an increase in exposure to regulation, legislation or court decision.
- (v) Loss or decrease of the insurer's reinsurance covering all or part of the risk or exposure by the policy.
- (vi) Determination by the director that the continuation of the policy would jeopardize an insurer's solvency or would place the insurer in violation of the insurance laws of this state or any other state.
- (vii) Violation or breach by the insured of any policy terms or conditions other than nonpayment of premium.

(b) Notification of cancellation.

- (i) A notice of cancellation of insurance coverage by an insurer shall be in writing and shall be mailed or delivered to the first-named insured at the last known mailing address as shown on the policy. Notices of cancellation based on subsections (3)(a)(ii) through (a)(vii) of this section shall be mailed or delivered at least thirty (30) days prior to the effective date of the cancellation. Notices of cancellation for the reason stated in subsection (3)(a)(i) of this section without regard to when such cancellation shall be effected shall be mailed or delivered at least ten (10) days prior to the effective date of cancellation. If delivered via United States mail, the ten (10) day notification period shall begin to run five (5) days following the date of postmark. The notice shall state the effective date of the cancellation.
- (ii) The insurer shall provide the first-named insured with a written statement setting forth the reason(s) for the cancellation if: (1) the insured requests such a statement in writing; and (2) the named insured agrees in writing to hold the insurer harmless from

liability for any communication giving notice of or specifying the reasons for a cancellation or for any statement made in connection with an attempt to discover or verify the existence of conditions which would be a reason for a cancellation under this section.

(4) Notice of nonrenewal.

(a) An insurer may decline to renew a policy if the insurer delivers or mails to the first-named insured, at the last known mailing address, written notice that the insurer will not renew the policy. Such notice shall be mailed or delivered at least forty-five (45) days before the expiration date. If the notice is mailed less than forty-five (45) days before expiration, coverage shall remain in effect until forty-five (45) days after notice is mailed or delivered. Earned premium for any period of coverage that extends beyond the expiration date shall be considered pro rata based upon the previous year's rate. For purposes of this section, the transfer of a policyholder between companies within the same insurance group is not a nonrenewal or a refusal to renew. In addition, changes in deductibles, changes in premium, and changes in the amount of insurance or reductions in policy limits or coverage shall not be deemed to be nonrenewals or refusals to renew. Notice of nonrenewal is not required if:

- (i) The insurer or a company within the same insurance group has offered to issue a renewal policy; or
- (ii) Where the named insured has obtained replacement coverage or has agreed in writing to obtain replacement coverage.

(b) If an insurer provides the notice described in subsection (4) of this section and thereafter the insurer extends the policy for ninety (90) days or less, an additional notice of nonrenewal is not required with respect to the extension.

(5) Notice of premium or coverage changes. An insurer shall mail or deliver to the named insured, at the last known mailing address, written notice of a total premium increase greater than ten percent (10%) which is the result of a comparable increase in premium rates, changes in deductibles, reductions in limits, or reductions in coverages at least thirty (30) days prior to the expiration date of the policy. If the insurer fails to provide such thirty (30) day notice, the coverage provided to the named insured shall remain in effect until thirty (30) days after such notice is given or until the effective date of replacement coverage obtained by the named insured, whichever first occurs. For the purposes of this section, notice is considered given thirty (30) days following date of mailing or delivery of the notice to the named insured. If the insured elects not to renew, any earned premium for the period of extension of the terminated policy shall be calculated pro rata at the lower of the current or previous year's rate. If the insured accepts the renewal, the premium increase, if any, and other changes shall be effective on and after the first day of the renewal term.

(6) Proof of notice. Proof of mailing of notice of cancellation, or of nonrenewal or of premium or coverage changes, to the named insured at the last known mailing address showing on the policy, shall be sufficient proof of notice.

(7) Application, effective date and termination. The provisions of this section shall apply only to policies with coverage effective dates after the effective date of this section.

(8) Rules. The director may promulgate rules to implement the provisions of this section. Every rule promulgated within the authority conferred by this act shall be of temporary effect and shall become permanent only by enactment by statute at the regular session of the legislature first following adoption of the rule. Rules not approved in the above manner shall be rejected, null, void and of no force and effect on July 1, following submission of the rules to the legislature.

41-1843. Insurance rates and credit rating.

- (1) No insurer regulated pursuant to this title shall charge a higher premium than would otherwise be charged, or cancel, nonrenew or decline to issue a property or casualty policy or coverage based primarily upon an individual's credit rating or credit history.
- (2) As used in this section, "based primarily" means that the weight given by the insurer to an individual's credit rating or credit history exceeds the weight given by the insurer to all other criteria considered in making the decision to charge a higher premium or to cancel, nonrenew or decline to issue an insurance policy.
- (3) This section shall apply only to property or casualty insurance, as defined in chapter 5, title 41, Idaho Code, to be used primarily for personal, family or household purposes.

41-2401. Standard fire policy.

- (1) No fire insurer shall issue any fire insurance policy covering on property or interest therein in this state, other than on the form known as the New York standard as revised in 1943, except as follows:
 - (a) An insurer may print on or in its policy its name, location, date of incorporation, plan of operation, whether stock, mutual, reciprocal or organized under special charter provisions, and if mutual or reciprocal whether on cash premium or assessment plan; and if it be a stock company, the amount of its paid up capital stock, the names of its officers and agents, the number and date of the policy, and, if it is issued by an agent, the words, "this policy shall not be valid until countersigned by the duly authorized agent of the company at"; and, if a mutual or reciprocal insurer, the policy must state the contingent liability, if any, of its policyholders, members, or subscribers for payment of losses and expenses not provided for by its cash funds.
 - (b) An insurer may print or use in its policies printed forms of description and specifications of the property insured.
 - (c) An insurer insuring against damage by lightning may print in the clause enumerating the perils insured against the additional words, "also any damage by lightning whether fire ensues or not," and in the clause providing for an apportionment of loss in case of other insurance the words, "whether by fire, lightning or both."
 - (d) A domestic insurer may print in its policies any provisions which it is authorized or required by the law to insert therein, and any foreign insurer may, with the approval of the director, so print any provision required by its charter or deed of settlement, or by the laws of its own state or country, not contrary to the laws of this state; but the director shall require any provision which, in his opinion modifies the contract of insurance in such a way as to affect the question of loss, to be appended to the policy by an endorsement or rider as hereinafter provided.
 - (e) The blanks in the standard form may be completed in print or in writing.

- (f) An insurer may print upon policies issued in compliance with the preceding provisions of this section the words, "Idaho standard policy."
 - (g) An insurer may write upon the margin or across the face of the policy, or write or print in type not smaller than nonpareil upon a slip, slips, rider or riders to be attached thereto, provisions adding to or relating to those contained in the standard form; and all such slips, riders, endorsements and provisions must be signed by the officers or agents of the insurer so using them.
 - (h) If the policy be made by a mutual, reciprocal or other insurer having special regulations lawfully applicable to its organization, membership, policies or contracts of insurance such regulations shall apply to and form a part of the policy as the same may be written or printed upon, attached or appended thereto.
 - (i) Every policy shall have legibly inscribed upon its face and filing back suitable words to designate whether the insurer making such insurance be a stock, mutual or reciprocal insurer, provided, that any insurer organized under special charter provisions may so indicate upon its policy and may add a statement of the plan under which it operates in this state.
 - (j) Every fire policy shall contain language that provides for a thirty (30) day written notice to the insured prior to cancellation of the policy, provided however, that where cancellation is for the nonpayment of premium, at least ten (10) days' notice of such cancellation, accompanied by the reason for the cancellation, shall be given. If delivered via United States mail, such ten (10) day notification period shall begin to run five (5) days following the date of postmark. Proof of mailing of notice of cancellation, or of intention not to renew, or of reasons for cancellation or nonrenewal to the named insured at his address shall be sufficient proof of notice.
 - (k) Every fire policy shall provide that it becomes effective at 12:01 a.m. of the standard time of the place where the property covered by the insurance is located, on the effective date of the policy.
- (2) An insurer issuing the standard fire policy is authorized to affix thereto or include therein a written statement that the policy does not cover loss or damage caused by nuclear reaction, nuclear radiation or radioactive contamination, all whether directly or indirectly resulting from an insured peril under the policy; but nothing herein contained shall be construed to prohibit the attachment to any such policy of an endorsement or endorsements specifically assuming coverage for loss or damage caused by nuclear reaction, nuclear radiation or radioactive contamination.
- (3) The standard fire policy is not mandatory for vehicle insurance, or for marine insurance, or inland marine insurance as the same is defined pursuant to section 41-1401(2), Idaho Code, or for insurance on growing crops.
- (4) Any policy or contract otherwise subject to the provisions of subsection (1) hereof, which includes either on an unspecified basis as to the coverage or for a single premium coverage against the peril of fire and substantial coverage against other perils need not comply with the provisions of subsection (1) hereof, provided:
- (a) Such policy or contract shall afford coverage, with respect to the peril of fire, not less than the coverage afforded by such standard fire policy,
 - (b) The provisions in relation to mortgagee interests and obligations in such standard fire policy shall be incorporated therein without change,
 - (c) Such policy or contract is complete as to all of its terms without reference to the standard form of fire insurance policy or any other policy, and
 - (d) The director is satisfied that such policy or contract complies with the provisions hereof.
- (5) With respect to a commercial insurance policy, such standard fire insurance policy may exclude coverage for loss by fire or other perils insured against if the fire or other perils are caused directly or indirectly by terrorism. As used in this section, the term "terrorism" means a violent act or an act that:
- (a) Is dangerous to human life, property or infrastructure;
 - (b) Results in damage within the United States, or outside of the United States in the case of an air carrier or vessel or the premises of a United States mission; and
 - (c) Is committed by an individual or individuals, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States government by coercion.

41-2502. UNINSURED MOTORIST AND UNDERINSURED MOTORIST COVERAGE FOR AUTOMOBILE INSURANCE -EXCEPTIONS.

- (1) Except as otherwise provided in subsection (2) of this section, no owner's or operator's policy of motor vehicle liability insurance that is subject to the requirements of section 49-1212(1) or (2), Idaho Code, shall be delivered or issued for delivery in this state with respect to any motor vehicle registered or principally garaged in this state unless coverage is provided therein or supplemental thereto, in limits for bodily injury or death as set forth in section 49-117, Idaho Code, as amended from time to time, under provisions approved by the director of the department of insurance, for the protection of persons insured thereunder who are legally entitled to recover damages from owners or operators of uninsured and underinsured motor vehicles because of bodily injury, sickness or disease, including death, resulting therefrom.
- (2) A named insured shall have the right to reject either or both uninsured motorist coverage or underinsured motorist coverage, which rejection must be in writing or in an electronic record as authorized by the uniform electronic transactions act, chapter 50, title 28, Idaho Code, and such rejection shall be effective as to all other insureds and named insureds; and after which such rejected coverage need not be provided in or supplemental to a renewal or replacement policy issued by the same insurer or an affiliate of that insurer.
- (3) Prior to the issuance of any new policy or the first renewal or replacement of any existing policy of motor vehicle liability insurance with an effective date on or after January 1, 2009, a named insured shall be provided a standard statement approved by the director of the department of insurance, explaining in summary form, both uninsured and underinsured motorist coverage, and the different forms of underinsured motorist coverage that might be available from insurers in Idaho.

(4) The provisions of this section shall not apply to policies of motor vehicle liability insurance for coverage on all-terrain vehicles, utility type vehicles, specialty off-highway vehicles or motorbikes as those terms are defined in section 67-7101, Idaho Code.

41-2504 APPLICATION OF UNINSURED MOTORIST COVERAGE.

An insurer's insolvency protection shall be applicable only to accidents occurring during a policy period in which its insured's uninsured motorist coverage is in effect where the liability insurer of the tortfeasor becomes insolvent within one (1) year after such an accident. Nothing herein contained shall be construed to prevent any insurer from affording insolvency protection under terms and conditions more favorable to its insureds than is provided hereunder.

41-2506. Cancellation of policies — Definitions.

(1) As used in sections 41-2506 through 41-2512, Idaho Code:

- (a) "Policy" means any one (1) or more of the following portions of an automobile insurance policy, delivered or issued for delivery in this state, insuring a natural person as named insured, or one (1) or more related individuals resident of the same household, and under which the insured vehicles therein designated are motor vehicles of the private passenger or station wagon type (not used for public or livery conveyance of passengers, or rented to others) or any other four-wheel motor vehicles with a load capacity of fifteen thousand (15,000) pounds or less not used in the occupation, profession, or business of the insured and:
 - (i) Insuring against bodily injury and property damage liability;
 - (ii) Insuring against physical damage;
 - (iii) Insuring against risks commonly included under "comprehensive coverage";
 - (iv) Relating to medical payments;
 - (v) Providing uninsured motorist coverage.
- (b) Policy does not mean automobile liability insurance:
 - (i) Issued under an assigned risk plan; or
 - (ii) Covering garage, automobile sales agency, repair shop, service station, or public parking place operation hazards.
- (c) "Renewal" or "to renew" means the issuance and delivery by an insurer of a policy superseding at the end of the policy period a policy previously issued and delivered by the same insurer, or the issuance and delivery of a certificate or notice extending the term of a policy beyond its policy period or term. Any policy with a policy period or term of less than six (6) months or any policy with no fixed expiration date shall for the purpose of this section be considered as if written for successive policy periods or terms of six (6) months.
- (d) "Nonpayment of premium" means failure of the named insured to discharge when due any of his obligations in connection with the payment of premiums on a policy or any installment of such premium, whether the premium is payable directly to the insurer or its agent or indirectly under any premium finance plan or extension of credit.

(2) Sections 41-2506 through 41-2512, Idaho Code, shall not apply to any policy that has been in effect less than sixty (60) days at the time notice of cancellation is mailed or delivered by the insurer, unless it is a renewal policy.

41-2507. Cancellation of policies — Grounds.

No notice of cancellation of a policy shall be effective and the insurer shall not refuse renewal of a policy, unless based on one

(1) or more of the following reasons:

- (1) Nonpayment of premium; or
- (2) The policy was obtained through a material misrepresentation; or
- (3) Any insured violated any of the terms and conditions of the policy; or
- (4) The named insured failed to disclose fully his motor vehicle accidents and moving traffic violations, or his losses covered under any automobile physical damage or comprehensive coverage, for the preceding thirty-six (36) months if called for in the application; or
- (5) As to renewal of the policy, if the insured at any time while the policy was in force failed to disclose fully to the insurer, upon request therefor, facts relative to accidents and losses incurred material to underwriting of the risk; or
- (6) Any insured made a false or fraudulent claim or knowingly aided or abetted another in the presentation of such a claim; or
- (7) The named insured or any other operator who either resides in the same household or customarily operates an automobile insured under such policy:
 - (a) Has, within the thirty-six (36) months prior to the notice of cancellation or nonrenewal, had his driver's license under suspension or revocation; or
 - (b) Has a history of and is subject to epilepsy or heart attacks and such individual cannot produce a certificate from a physician testifying to his unqualified ability to operate a motor vehicle safely; or
 - (c) Has an accident record, conviction record, either criminal or traffic, physical, mental or other condition which is such that his operation of an automobile might endanger the public safety; or
 - (d) Has, while the policy is in force, engaged in a prearranged competitive speed contest while operating or riding in an automobile insured under the policy; or
 - (e) Has, within the thirty-six (36) months prior to the notice of cancellation or nonrenewal, been addicted to the use of narcotics or other drugs; or
 - (f) Uses alcoholic beverages to excess; or
 - (g) Has been convicted, or forfeited bail, during the thirty-six (36) months immediately preceding the notice of cancellation or nonrenewal; for
 - (i) Any felony; or
 - (ii) Criminal negligence resulting in death, homicide or assault arising out of the operation of a motor vehicle; or
 - (iii) Operating a motor vehicle while in an intoxicated condition or while under the influence of drugs; or

- (iv) Leaving the scene of an accident without stopping to report; or
 - (v) Theft or unlawful taking of a motor vehicle; or
 - (vi) Making fraudulent statements in an application for a driver's license; or
 - (h) Has been convicted of, has had a judgment entered against, or forfeited bail for, three (3) or more violations within the thirty-six (36) months immediately preceding the notice of cancellation or nonrenewal of any law, ordinance or regulation of any state for which a violation point is assessed by the Idaho transportation department under the provisions of section 49-326, Idaho Code, whether or not the violations were repetitions of the same offense or different offenses; or
- (8) The insured automobile is:
- (a) So mechanically defective that its operation might endanger public safety; or
 - (b) Used in carrying passengers for hire or compensation, except that the use of an automobile for a carpool shall not be considered use of an automobile for hire or compensation; or
 - (c) Used in the business of transportation of flammables or explosives; or
 - (d) An authorized emergency vehicle; or
 - (e) Modified or changed in condition during the policy period so as to increase the risk substantially; or
 - (f) Subject to an inspection law and has not been inspected or, if inspected, has failed to qualify; or
- (9) As to the renewal of the policy only, the insured automobile is registered in a jurisdiction other than Idaho.
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41-2508. Notice of cancellation or intention not to renew.

- (1) No cancellation of a policy to which section 41-2506 of this act applies shall be effective unless notice thereof is mailed or delivered by the insurer to the named insured at least twenty (20) days prior to the effective date of cancellation, except that where cancellation is for nonpayment of premium at least ten (10) days' notice of cancellation accompanied by the reason therefor shall be given. Unless the reason or reasons accompany or are included in the notice, the notice shall state or be accompanied by a statement that upon written request of the named insured, mailed or delivered to the insurer not less than ten (10) days prior to the effective date of cancellation, the insurer will specify the reason or reasons for such cancellation.
- (2) No insurer shall fail to renew a policy to which section 41-2506 of this act applies unless it shall mail or deliver to the named insured, at the address shown on the policy, at least thirty (30) days' advance notice of its intention not to renew. Unless the reason or reasons accompany or are included in the notice, the notice shall state or be accompanied by a statement that upon written request of the named insured, mailed or delivered to the insurer not less than fifteen (15) days prior to the effective date or nonrenewal, the insurer will specify the reason or reasons for such nonrenewal. This subsection shall not apply in case of nonpayment of premium, or if the insurer has manifested its willingness to renew. Notwithstanding the failure of an insurer to comply with this subsection, the policy shall terminate on the effective date of any other policy procured by the insured, with respect to any automobile designated in both policies. Renewal of a policy shall not constitute a waiver or estoppel with respect to grounds for cancellation or nonrenewal which existed before the effective date of the renewal.
- (3) Proof of mailing of notice of cancellation, or of intention not to renew or of reasons for cancellation or nonrenewal to the named insured at his address last of record with the insurer, shall be sufficient proof of notice.
- (4) When a policy is canceled, other than for nonpayment of premium, or in the event of failure to renew a policy to which subsection (2), above, applies, the insurer shall notify the named insured of any possible eligibility for insurance through an automobile assigned risk plan. Such notice shall accompany or be included in the notice of cancellation or the notice of intent not to renew, and shall state that such notice of availability of the automobile assigned risk plan is given pursuant to this section.
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41-2509. Cancellations and nonrenewal — Exceptions to.

Nothing contained in sections 41-2506 through 41-2512 of this act shall be construed to prevent the cancellation or nonrenewal of any such insurance where:

- (1) Cancellation or nonrenewal is ordered under or in connection with a statutory delinquency proceeding commenced against the insurer under chapter 33 (rehabilitations and liquidations), Idaho Code, or
 - (2) Cancellation or nonrenewal has been consented to by the director on a showing that continuation of such insurance can reasonably be expected to create a condition in the insurer hazardous to its policyholders, or to its creditors, or to its members, subscribers, or stockholders, or to the public.
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41-2510. Exclusion and cancellation of designated individuals.

Except as respects the legal liability of the named insured, the insurer shall have the right to exclude, cancel or refuse to renew coverage under an automobile insurance policy as to designated individuals. Any such cancellation or refusal to renew shall be acknowledged by the signature of the named insured, and shall be subject to the applicable provisions of sections 41-2506 through 41-2512 of this act as for cancellation or refusal to renew the policy.

49-1208. Proof required upon certain convictions.

- (1) If a person is not licensed, but by final order or judgment is convicted of, or forfeits any bail or collateral deposited to secure an appearance for trial, or has entered a plea of guilty for, any offense requiring the suspension or revocation of the driver's license, or for operating a motor vehicle upon the highways without being licensed to do so, no driver's license shall be issued to that person and his driving privilege shall remain suspended or revoked until he gives and maintains proof of financial responsibility. Such person shall be required to verify proof of financial responsibility for a three (3) year period commencing with the last day of the suspension or revocation.

- (2) Whenever the department or a court suspends, or the department revokes a resident's driver's license or nonresident's driving privilege by reason of a conviction, forfeiture of bail, or upon a plea or finding of guilty, the license or privilege shall remain suspended or revoked unless the person shall have previously given or shall immediately give and maintain proof of financial responsibility. Such person shall be required to verify proof of financial responsibility for a three (3) year period commencing with the last day of the suspension or revocation.
 - (3) Any person who is convicted of violating the provisions of either section 49-1229, 49-1232 or 49-1428, Idaho Code, for the first time shall give and maintain proof of financial responsibility throughout the one (1) year period following the conviction. Any person convicted for a second or any subsequent time of violating the provisions of section 49-1229, 49-1232 or 49-1428, Idaho Code, within a five (5) year period, shall give and maintain proof of financial responsibility throughout the three (3) year period following such conviction. The department shall notify any person subject to this subsection of the requirements for maintaining proof of financial responsibility for a second and any subsequent conviction. The driver's license and driving privileges shall remain suspended unless the person gives and maintains proof of financial responsibility throughout either the one (1) year or the three (3) year period following such conviction.
 - (4) Whenever a person is required to maintain proof of financial responsibility, and who is not a resident of Idaho, files and maintains proof of financial responsibility in his home state the department shall reinstate the person's driving privileges as long as proof of financial responsibility is maintained in the person's home state.
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49-1225. Assigned risk plans.

After consultation with insurance companies authorized to issue automobile liability policies in this state, the director of insurance shall approve reasonable plans for the equitable apportionment among those companies of applicants for policies and for motor vehicle liability policies who are in good faith entitled to but are unable to procure policies through ordinary methods. When a plan has been approved, all those insurance companies shall subscribe to and participate in the plan. Any applicant for a policy, any person insured under such a plan, and any insurance company affected, may appeal to the director of insurance from any ruling or decision of the manager or committee designated to operate the plan. Any person aggrieved hereunder by any order or act of the director of insurance may, within ten (10) days after notice of it, file a petition in the district court of Ada County, Idaho, for a review. The court shall summarily hear the petition and may make an appropriate order or decree.

72-102. Definitions.

Words and terms used in the worker's compensation law, unless the context otherwise requires, are defined in the subsections which follow:

- (1) "Alien" means a person who is not a citizen, a national or a resident of the United States or Canada. Any person not a citizen or national of the United States who relinquishes or is about to relinquish his residence in the United States shall be regarded as an alien.
- (2) "Balance billing" means charging, billing, or otherwise attempting to collect directly from an injured employee payment for medical services in excess of amounts allowable in compensable claims as provided by rules promulgated by the commission pursuant to section 72-508, Idaho Code.
- (3) "Beneficiary" means any person who is entitled to income benefits or medical and related benefits under this law.
- (4) "Commission" means the industrial commission.
- (5) "Community service worker" means:
 - (a) Any person who has been convicted of a criminal offense, any juvenile who has been found to be within the purview of chapter 5, title 20, Idaho Code, and who has been informally diverted under the provisions of section 20-511, Idaho Code, or any person or youth who has been diverted from the criminal or juvenile justice system and who performs a public service for any department, institution, office, college, university, authority, division, board, bureau, commission, council, or other entity of the state, or any city, county, school district, irrigation district or other taxing district authorized to levy a tax or an assessment or any other political subdivision or any private not-for-profit agency which has elected worker's compensation insurance coverage for such person; or
 - (b) Parolees under department of correction supervision, probationers under court order or department of correction supervision and offender residents of community work centers under the direction or order of the board of correction who are performing public service or community service work for any of the entities specified in paragraph (a) of this subsection other than the department of correction.
- (6) "Compensation" used collectively means any or all of the income benefits and the medical and related benefits and medical services.
- (7) "Custom farmer" means a person who contracts to supply operated equipment to a proprietor of a farm for the purpose of performing part or all of the activities related to raising or harvesting agricultural or horticultural commodities.
- (8) "Death" means death resulting from an injury or occupational disease.
- (9) Dependency limitations.
 - (a) "Adopted" and "adoption" include cases where persons are treated as adopted as well as those of legal adoption unless legal adoption is specifically provided.
 - (b) "Brother" and "sister" include stepbrothers and stepsisters, half brothers and half sisters, and brothers and sisters by adoption.
 - (c) "Child" includes adopted children, posthumous children, and acknowledged illegitimate children, but does not include stepchildren unless actually dependent.
 - (d) "Grandchild" includes children of legally adopted children and children of stepchildren, but does not include stepchildren of children, stepchildren of stepchildren, or stepchildren of adopted children unless actually dependent.
 - (e) "Parent" includes stepparents and parents by adoption.
 - (f) "Grandparent" includes parents of parents by adoption, but does not include parents of stepparents, stepparents of parents, or stepparents of stepparents.

- (10) "Disability," for purposes of determining total or partial temporary disability income benefits, means a decrease in wage-earning capacity due to injury or occupational disease, as such capacity is affected by the medical factor of physical impairment, and by pertinent nonmedical factors as provided in section 72-430, Idaho Code.
- (11) "Employee" is synonymous with "workman" and means any person who has entered into the employment of, or who works under contract of service or apprenticeship with, an employer. It does not include any person engaged in any of the excepted employments enumerated in section 72-212, Idaho Code, unless an election as provided in section 72-213, Idaho Code, has been filed. It does, however, include a volunteer firefighter for purposes of section 72-438(12) and (14), Idaho Code. Any reference to an employee who has been injured shall, where the employee is dead, include a reference to his dependents as herein defined, if the context so requires, or, where the employee is a minor or incompetent, to his committee or guardian or next friend.
- (12) (a) "Employer" means any person who has expressly or impliedly hired or contracted the services of another. It includes contractors and subcontractors. It includes the owner or lessee of premises, or other person who is virtually the proprietor or operator of the business there carried on, but who, by reason of there being an independent contractor or for any other reason, is not the direct employer of the workers there employed. It also includes, for purposes of section 72-438(12) and (14), Idaho Code, a municipality, village, county or fire district that utilizes the services of volunteer firefighters. If the employer is secured, it means his surety so far as applicable.
- (b) "Professional employer" means a professional employer as defined in chapter 24, title 44, Idaho Code.
- (c) "Temporary employer" means the employer of temporary employees as defined in section 44-2403(7), Idaho Code.
- (d) "Work site employer" means the client of the temporary or professional employer with whom a worker has been placed.
- (13) "Farm labor contractor" means any person or his agent or subcontractor who, for a fee, recruits and employs farmworkers and performs any farm labor contracting activity.
- (14) "Gender and number." The masculine gender includes the feminine and neuter; "husband" or "wife" includes "spouse"; the singular number includes plural and the plural the singular.
- (15) "Income benefits" means payments provided for or made under the provisions of this law to the injured employee disabled by an injury or occupational disease, or his dependents in case of death, excluding medical and related benefits.
- (16) "Independent contractor" means any person who renders service for a specified recompense for a specified result, under the right to control or actual control of his principal as to the result of his work only and not as to the means by which such result is accomplished. For the purposes of worker's compensation law, a custom farmer is considered to be an independent contractor.
- (17) "Injury" and "accident."
- (a) "Injury" means a personal injury caused by an accident arising out of and in the course of any employment covered by the worker's compensation law.
- (b) "Accident" means an unexpected, undesigned, and unlooked for mishap, or untoward event, connected with the industry in which it occurs, and which can be reasonably located as to time when and place where it occurred, causing an injury.
- (c) "Injury" and "personal injury" shall be construed to include only an injury caused by an accident, which results in violence to the physical structure of the body. The terms shall in no case be construed to include an occupational disease and only such nonoccupational diseases as result directly from an injury.
- (18) "Manifestation" means the time when an employee knows that he has an occupational disease, or whenever a qualified physician shall inform the injured worker that he has an occupational disease.
- (19) "Medical and related benefits" means payments provided for or made for medical, hospital, burial and other services as provided in this law other than income benefits.
- (20) "Medical services" means medical, surgical, dental or other attendance or treatment, nurse and hospital service, medicines, apparatus, appliances, prostheses, and related services, facilities and supplies.
- (21) "Member of an employer's family" means a natural person or the spouse of a natural person who is related to the employer within the first degree of consanguinity by blood, adoption, or marriage or who is a grandchild of the employer or the spouse of such grandchild.
- (22) "Occupational diseases."
- (a) "Occupational disease" means a disease due to the nature of an employment in which the hazards of such disease actually exist, are characteristic of, and peculiar to the trade, occupation, process, or employment, but shall not include psychological injuries, disorders or conditions unless the conditions set forth in section 72-451, Idaho Code, are met.
- (b) "Contracted" and "incurred," when referring to an occupational disease, shall be deemed the equivalent of the term "arising out of and in the course of" employment.
- (c) "Disablement," except in the case of silicosis, means the event of an employee's becoming actually and totally incapacitated because of an occupational disease from performing his work in the last occupation in which injuriously exposed to the hazards of such disease; and "disability" means the state of being so incapacitated.
- (d) "Disablement," in the case of silicosis, means the event of first becoming actually incapacitated, because of such disease, from performing any work in any remunerative employment; and "disability" means the state of being so incapacitated.
- (e) "Silicosis" means the characteristic fibrotic condition of the lungs caused by the inhalation of silicon dioxide (SiO₂) dust.
- (23) "Outworker" means a person to whom articles or materials are furnished to be treated in any way on premises not under the control or management of the person who furnished them.
- (24) "Person" means the state or any political subdivision thereof, or any individual, partnership, firm, association, trust, corporation, including the state insurance fund, or any representative thereof.

- (25) "Physician" means medical physicians and surgeons, ophthalmologists, otorhinolaryngologists, dentists, osteopaths, osteopathic physicians and surgeons, optometrists, podiatrists, chiropractic physicians, and members of any other healing profession licensed or authorized by the statutes of this state to practice such profession within the scope of their practice as defined by the statutes of this state and as authorized by their licenses.
- (26) "Provider" means any person, firm, corporation, partnership, association, agency, institution, or other legal entity providing any kind of medical services related to the treatment of an injured employee which are compensable under Idaho's worker's compensation law.
- (27) "Secretary" means the secretary of the commission.
- (28) "Self-insurer" means an employer who has been authorized under the provisions of this law to carry his own liability to his employees covered by this law.
- (29) "State" includes any state, district, commonwealth, zone or territory of the United States or any province of Canada.
- (30) "Surety" means any insurer authorized to insure or guarantee payment of worker's compensation liability of employers in any state; it also includes the state insurance fund, a self-insurer and an inter-insurance exchange.
- (31) "United States," when used in a geographic sense, means the several states, the District of Columbia, the Commonwealth of Puerto Rico and the territories of the United States.
- (32) "Volunteer emergency responder" means a firefighter or peace officer, or publicly employed certified personnel who is a bona fide member of a legally organized law enforcement agency, a legally organized fire department or a licensed emergency medical service provider organization who contributes services.
- (33) "Wages" and "wage-earning capacity" prior to the injury or disablement from occupational disease mean the employee's money payments for services as calculated under section 72-419, Idaho Code, and shall additionally include the reasonable market value of board, rent, housing, lodging, fuel, and other advantages which can be estimated in money which the employee receives from the employer as part of his remuneration, and gratuities received in the course of employment from others than the employer. "Wages" shall not include sums which the employer has paid to the employee to cover any special expenses entailed on him by the nature of his employment.
- (34) "Wages" and "wage-earning capacity" after the injury or disablement from occupational disease shall be presumed to be the actual earnings after the injury or disablement, which presumption may be overcome by showing that those earnings do not fairly and reasonably represent wage-earning capacity; in such a case, wage-earning capacity shall be determined in the light of all factors and circumstances which may affect the worker's capacity to earn wages.
- (35) "Work experience student" means any person enrolled in the public school districts or public institutions of higher education of this state and who, as part of his instruction, is enrolled in a class or program for academic credit and for which the student is employed by, or works for, a private or governmental entity. The student need not receive wages from the private or governmental entity in order to be classified as a work experience student.
- (36) "Worker's compensation law" or "workmen's compensation law" means and includes the worker's compensation law of this state and any like or similar law of any state, United States, territory, or province of Canada.
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72-209. Exclusiveness of liability of employer.

- (1) Subject to the provisions of section 72-223, Idaho Code, the liability of the employer under this law shall be exclusive and in place of all other liability of the employer to the employee, his spouse, dependents, heirs, legal representatives or assigns.
- (2) The liability of an employer to another person who may be liable for or who has paid damages on account of an injury or occupational disease or death arising out of and in the course of employment of an employee of the employer and caused by the breach of any duty or obligation owed by the employer to such other person shall be limited to the amount of compensation for which the employer is liable under this law on account of such injury, disease, or death, unless such other person and the employer agree to share liability in a different manner.
- (3) The exemption from liability given an employer by this section shall also extend to the employer's surety and to all officers, agents, servants and employees of the employer or surety, provided that such exemptions from liability shall not apply in any case where the injury or death is proximately caused by the willful or unprovoked physical aggression of the employer, its officers, agents, servants or employees, which physical aggression must include clear and convincing evidence the employer, its officers, agents, servants, or employees either specifically intended to harm the employee or engaged in conduct knowing that injury or death to the employee was substantially likely to occur. The loss of such exemption applies only to the aggressor and shall not be imputable to the employer unless provoked or authorized by the employer or the employer was a party thereto.
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72-211. Exclusiveness of employee's remedy.

Subject to the provisions of section 72-223, the rights and remedies herein granted to an employee on account of an injury or occupational disease for which he is entitled to compensation under this law shall exclude all other rights and remedies of the employee, his personal representatives, dependents or next of kin, at common law or otherwise, on account of such injury or disease.

72-217. Extraterritorial coverage.

If an employee, while working outside the territorial limits of this state, suffers an injury or an occupational disease on account of which he, or in the event of death, his dependents, would have been entitled to the benefits provided by this law had such occurred within this state, such employee, or, in the event of his death resulting from such injury or disease, his dependents, shall be entitled to the benefits provided by this law, provided that at the time of the accident causing such injury, or at the time of manifestation of such disease:

- (1) His employment is principally localized in this state; or
- (2) He is working under a contract of hire made in this state in employment not principally localized in any state; or

- (3) He is working under a contract of hire made in this state in employment principally localized in another state, the workmen's compensation law of which is not applicable to his employer; or
 - (4) He is working under a contract of hire made in this state for employment outside the United States and Canada.
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72-222. Reciprocal recognition of extraterritorial coverage with other jurisdictions.

For the purpose of effecting mutually satisfactory reciprocal arrangements with other states respecting extraterritorial jurisdictions, the commission is empowered to promulgate special or general regulations not inconsistent with the provisions of this law and, with the approval of the governor, to enter into reciprocal agreements with appropriate boards, commissions, officers or agencies of other states having jurisdiction of workmen's compensation claims.

72-301. Security for payment of compensation.

- (1) Every employer shall secure the payment of compensation under this law in one (1) of the following ways:
 - (a) By insuring and keeping insured with a policy of worker's compensation insurance as defined in section 41-506(d), Idaho Code, the payment of compensation with any insurer, as defined in section 41-103, Idaho Code, authorized by the director of the department of insurance to transact such insurance, provided, that every public employer shall insure its liability for payment of compensation with the state insurance fund unless such fund shall refuse to accept the risk when the application for insurance is made; or
 - (b) An employer may become self-insured by obtaining the approval of the industrial commission and by depositing and maintaining in a custodial account with the state treasurer money or acceptable security instruments satisfactory to the commission securing the payment by said employer of compensation according to the terms of this law. Such acceptable security instruments are bonds, treasury bills, interest-bearing notes or other obligations of the United States for which the full faith and credit of the United States is pledged for the payment of principal and interest. In lieu of such money or security instruments, the commission may allow or require such employer to file or maintain with the state treasurer a surety bond with any company authorized to transact surety insurance in Idaho. The commission shall adopt rules governing the qualifications of self-insured employers, the nature and amount of security to be deposited and maintained with the state treasurer, and the conditions under which an employer may continue to be self-insured.
 - (2) No insurer shall be permitted to transact worker's compensation insurance covering the liability of employers under this law unless it shall have been authorized to do business under the laws of this state and until it shall have received the approval of the commission. To the end that the workers secured under this law shall be adequately protected, the commission shall require such insurer to deposit and maintain in a custodial account with the state treasurer money or acceptable security instruments in an amount equal to the total amounts of all outstanding and unpaid compensation awards against such insurer. Acceptable security instruments are bonds, treasury bills, interest-bearing notes or other obligations of the United States for which the full faith and credit of the United States is pledged for the payment of principal and interest. Acceptable security instruments also include municipal bonds issued by the state of Idaho and its subdivisions, counties, cities, towns, villages and school districts. The insurer shall have the responsibility to monitor the ratings for its bonds. Bonds held by worker's compensation insurers in support of insurance obligations must have been assigned a credit rating grade not less than "single A minus" by one (1) or more credit rating providers registered with the United States securities and exchange commission as a nationally recognized statistical rating organization (NRSRO). If the credit rating assigned to the bond by the NRSRO is downgraded below "single A minus," the worker's compensation insurer shall within thirty (30) days of the downgrade replace the bond with one that meets the credit quality requirement specified in this section. In lieu of such money or security instruments, the commission may allow or require such insurer to file or maintain with the state treasurer a surety bond of some company or companies authorized to do business in this state for and in the amounts equaling the total unpaid compensation awards against such insurer.
 - (3) When an insurer has been placed in liquidation, any security being held in a custodial account with the state treasurer under this section shall be converted into cash and transferred into the insolvent insurer fund created in subsection (4) of this section. Such funds shall continue to be held for the purpose of securing any future claims made against the insolvent insurer under this law or until released by the commission to the liquidator, if one exists, or to the insurer's state of domicile, as provided herein. Interest earned on moneys deposited in the insolvent insurer fund shall be credited, pro rata, to the account balance of security being held to answer claims made under this law against an insolvent insurer. Moneys deposited in the insolvent insurer fund may be used to pay the reasonable costs or expenses charged by any financial institution holding such funds on deposit for the state treasurer. Any balance in funds remaining on deposit in the insolvent insurer fund to answer the claims of an insolvent insurer after discharge of that insurer's liquidator may be transferred to the liquidator, if one still exists, or to the liquidated insurer's state of domicile, at such time as the commission determines that said security is no longer required to be held by the state treasurer for the purposes of this law.
 - (4) There is hereby created in the state treasury the insolvent insurer fund. Moneys in the fund are hereby continuously appropriated for the purposes set forth in the provisions of this section. Interest earned on moneys in the fund shall be returned to the fund.
 - (5) The approval by the commission of any insurer or self-insured employer may be withdrawn if it appears to the commission that workers secured thereby under this law are not fully protected.
 - (6) For the purposes of this section, the term "public employer" shall not include any single-purpose district organized or that may be organized as a local public body in accordance with the laws of the state of Idaho for the purpose of constructing or furnishing any municipal service. For the purposes of this section, a "public employer" includes a city, county, and school district. The provisions of this subsection shall be null, void, and of no force and effect on and after July 1, 2030. Prior to July 1, 2030, the legislature may evaluate the effectiveness of the provisions of this subsection, including whether to remove this subsection or revise the definition of "public employer" provided in this subsection to include cities, counties, and school districts.
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72-301A. Alternative means of securing self-insurance.

The provisions of section 72-301, Idaho Code, with respect to security, shall be met alternatively, by the employer demonstrating to the commission that security for its self-insured worker's compensation program is covered by a cost reimbursement contract with the federal government for work performed in connection with the Idaho national laboratory including research, development, demonstration, testing, national security, defense, environmental cleanup or waste management if the cost reimbursement contract provides for the payment as otherwise required in this chapter. An employer that becomes self-insured under this section is not required to provide and maintain a security deposit, is not required to have a payroll history and is not required to have excess insurance coverage. In addition, because of the federal government reimbursement, the employer's self-insurance program includes coverage for claims for events taking place before the effective date of the self-insured program, and no separate coverage or deposit for such claims is required.

The commission shall promulgate rules governing the administration of employer self-insurance under this section.

72-402. Waiting period.

- (1) An injured employee shall not be allowed income benefits for the first five (5) days of disability for work; provided, if the injury results in disability for work exceeding two (2) weeks, income benefits shall be allowed from the date of disability and be paid no later than four (4) weeks from date of disability. Provided, further, that the waiting period shall not apply if the injured employee is hospitalized as an in-patient.
 - (2) The day on which the injury occurred shall be included in computing the waiting period unless the employee has been paid wages for that day.
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72-602. Employers' notice of injury and reports.

- (1) First report—Notice of injury or occupational disease. As soon as practicable but not later than ten (10) days after the occurrence of an injury or occupational disease, requiring treatment by a physician or resulting in absence from work for one (1) day or more, a report thereof shall be made in writing by the employer to the commission in the form prescribed by the commission; the mailing to the commission of the written report within the time prescribed shall be compliance.
 - (2) Extended disability—Sixty (60) day supplemental and final reports. If the disability extends beyond a period of sixty (60) days, the employer shall make a supplemental report to the commission at the end of such period, in the form prescribed by the commission, that the employee is still disabled.
 - (3) Supplemental report on termination of disability. Upon termination of the disability of the employee, the employer shall make a final supplemental report to the commission, in the form prescribed by the commission.
 - (4) Summary of compensation and medical services, paid and payable. Within such time, and under such conditions, as the commission shall prescribe by rule or regulation, but not more often than sixty (60) days after the termination of the disability of the employee, the employer or other party liable to pay the compensation provided for by this act shall file with the commission a summary showing the total compensation payments made or to be made for such employee. The time prescribed by the commission for the filing of such summaries may be different for medical and related benefit cases only as over against cases in which monetary benefits have been made to any such employee.
 - (5) Failure to file report a misdemeanor. An employer who willfully fails or refuses to make any report required by this section shall be guilty of a misdemeanor.
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72-701. Notice of injury and claim for compensation for injury — Limitations.

No proceedings under this law shall be maintained unless a notice of the accident shall have been given to the employer as soon as practicable but not later than sixty (60) days after the happening thereof, and unless a claim for compensation with respect thereto shall have been made within one (1) year after the date of the accident or, in the case of death, then within one (1) year after such death, whether or not a claim for compensation has been made by the employee. Such notice and such claim may be made by any person claiming to be entitled to compensation or by someone in his behalf. If payments of compensation have been made voluntarily or if an application requesting a hearing has been filed with the commission, the making of a claim within said period shall not be required.

72-706. Limitation on time on application for hearing.

- (1) When no compensation paid. When a claim for compensation has been made and no compensation has been paid thereon, the claimant, unless misled to his prejudice by the employer or surety, shall have one (1) year from the date of making claim within which to make and file with the commission an application requesting a hearing and an award under such claim.
 - (2) When compensation discontinued. When payments of compensation have been made and thereafter discontinued, the claimant shall have five (5) years from the date of the accident causing the injury or date of first manifestation of an occupational disease within which to make and file with the commission an application requesting a hearing for further compensation and award.
 - (3) When income benefits discontinued. If income benefits have been paid and discontinued more than four (4) years from the date of the accident causing the injury or the date of first manifestation of an occupational disease, the claimant shall have one (1) year from the date of the last payment of income benefits within which to make and file with the commission an application requesting a hearing for additional income benefits.
 - (4) Medical benefits. The payment of medical benefits beyond five (5) years from the date of the accident causing the injury or the date of first manifestation of an occupational disease shall not extend the time for filing a claim or an application requesting a hearing for additional income benefits as provided in this section.
 - (5) Right to medical benefits not affected. Except under circumstances provided in subsection (1) of this section, the claimant's right to medical benefits under the provisions of section 72-432(1), Idaho Code, shall not be otherwise barred by this section.
 - (6) Relief barred. In the event an application is not made and filed as in this section provided, relief on any such claim shall be forever barred.
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IDAPA 18.01.02 – SCHEDULE OF FEES, LICENSES, AND MISCELLANEOUS CHARGES

00. LEGAL AUTHORITY.

Title 41, Chapters 2 and 4, Idaho Code, Idaho Code.

01. SCOPE.

The purpose of this rule is to provide for the amounts to be collected for fees, licenses and miscellaneous charges.

02. -010. (RESERVED)

11. FEES PAYABLE IN ADVANCE.

The director will collect in advance fees, licenses, and miscellaneous charges as outlined in this rule.

12. -019. (RESERVED)

20. INSURER FEES.

01. Annual Continuation Fee. All insurers and other entities (set forth in Section 020) licensed, listed, or approved to do business in the state of Idaho will pay an annual continuation fee.

a. The annual continuation fee is due on March 1st each year and is payment of the insurer's fees due through the following February.

b. The annual continuation fee is charged at the time the insurer applies for admission to do business in the state of Idaho. If the application is approved, the fee paid will cover the insurer's fees through the following February.

02. Fee for Insurers. For all insurance companies receiving a certificate of authority pursuant to Title 41, Chapter 3, Idaho Code, the annual continuation fee is as follows:

a. If insurer's policy holders' surplus at the preceding December 31 is less than ten million dollars (\$10,000,000) One thousand dollars (\$1,000).

b. If insurer's policy holders' surplus at the preceding December 31 is ten million (\$10,000,000) or more, but less than one hundred million (\$100,000,000) -Two thousand five hundred dollars (\$2,500).

c. If insurer's policy holders' surplus at the preceding December 31 is one hundred million (\$100,000,000) or greater Four thousand five hundred dollars (\$4,500).

03. Fees of Other Entities. The following entities will be assessed an annual continuation fee:

a. Five hundred dollars (\$500):

i. All reinsurers, listed pursuant to Section 41-515, Idaho Code.

ii. Authorized surplus line insurers.

iii. County mutual insurers.

iv. Fraternal benefit societies.

v. Hospital and/or professional service corporations.

vi. Self-funded health care plans.

vii. Domestic Risk retention groups.

viii. Petroleum clean water trusts.

ix. Rating organizations.

x. Advisory organizations.

b. One hundred dollars (\$100): Purchasing groups.

04. Fees Provide. The annual continuation fee includes, but is not limited to, the following:

a. Certificate of authority renewal, license renewal, and annual registration.

b. Arson, fire and fraud investigation costs.

c. Annual statement filing.

d. Agent appointment and renewal of appointment.

e. Filings under Title 41, Chapter 38, Idaho Code, Acquisitions of Control and Insurance Holding Company Systems.

f. Filing of amendments to Articles of Incorporation.

g. Filing of amendments to Bylaws.

h. Amendments to Certificate of Authority.

i. Filing of notice of significant transactions pursuant to Section 41-345, Idaho Code.

j. Quarterly statement filing.

k. Examination expenses.

05. Not Provided in Fees. Payment of the annual continuation fee will not exempt the insurer or entity from the following:

a. Fees for application for producer license.

b. Costs incurred by the Department for investigation of an applicant for producer license.

c. Attorney's fees and costs incurred by the Department when allowed pursuant to Idaho Code.

d. Costs incurred for experts and consultants when allowed by Idaho Code.

e. Penalties or fines levied by or payable to the Department of Insurance.

f. All fees set forth under Section 040.

06. Failure to Pay Fee. Failure to pay the annual continuation fee on or before March 1st each year will result in the expiration of the insurer's or entity's authority to do business in the state of Idaho pursuant to Section 41-324, Idaho Code.

07. Reinstatement Fee. The reinstatement fee referenced in Section 41-324(3), Idaho Code, is the amount referenced above for the insurer or entity continuation fee.

21. -029. (RESERVED)

30. PRODUCER AND MISCELLANEOUS LICENSING FEES.

01. Original License Application. The following fees are due and need to be paid with the filing
 - a. Administrators -three hundred dollars (\$300).
 - b. Producers -eighty dollars (\$80).
 - c. Designation as a managing general agent -eighty dollars (\$80).
 - d. Adjusters and public adjusters -eighty dollars (\$80).
 - e. Reinsurance intermediary -eighty dollars (\$80).
 - f. Surplus line brokers -eighty dollars (\$80).
 - g. Life settlement providers -five hundred dollars (\$500).
 - h. Life settlement brokers -three hundred dollars (\$300).
 - i. Independent review organization -five hundred dollars (\$500).
 - j. Vendor of portable electronics insurance, a type of limited lines producer:
 - i. A vendor of portable electronic insurance who is engaged in portable electronic transactions at more than ten (10) locations in the state of Idaho -one thousand dollars (\$1,000).
 - ii. A vendor of portable electronic insurance who is engaged in portable electronic transactions at ten(10) or fewer locations in the state of Idaho -one hundred dollars (\$100).
02. Examination Fees. Each time a producer or adjuster's examination is taken for licensing under Title 41, Chapters 10 and 11, Idaho Code, the applicant may pay a fee to a third-party testing vendor in the amount established by contract between the department and the vendor.
03. Fingerprint Processing. Processing fingerprints (as applicable) -not to exceed eighty dollars (\$80).
04. License Renewal. The following fees are due and need to be paid for each license to renew or continue:
 - a. Adjusters, public adjusters, and producers (biennial) -eighty dollars (\$80), or sixty dollars (\$60) if renewed electronically.
 - i. A vendor of portable electronic insurance who is engaged in portable electronic transactions at more than ten (10) locations in the state of Idaho -five hundred dollars (\$500).
 - ii. A vendor of portable electronic insurance who is engaged in portable electronic transactions at ten (10) or fewer locations in the state of Idaho -one hundred dollars (\$100).
 - b. Redesignation as managing general agent (annual) -eighty dollars (\$80).
 - c. Administrators (biennial) -eighty dollars (\$80).
 - i. Renewal form is filed on or before December 31.
 - ii. Any renewal form postmarked after December 31 includes a penalty in an amount equal to the renewal fee
 - iii. A renewal form postmarked after January 31 needs to be submitted as a new application with supporting documents and the full application fee.
 - d. Surplus line brokers (biennial) -eighty dollars (\$80), or sixty dollars (\$60) if renewed electronically.
 - e. Life settlement providers (biennial) -three hundred dollars (\$300).
 - f. Life settlement brokers (biennial) -eighty dollars (\$80).
 - g. Independent review organization (biennial) -three hundred dollars (\$300).

31. -039. (RESERVED)

40. MISCELLANEOUS FEES.

01. Certified Copy. Certified copy of certificate of authority, license or registration Fifty dollars (\$50).
02. Certificate Under Seal. Director's certificate under seal (except for those under Subsection 040.01 of this rule) Twenty dollars (\$20).
03. Documents Filed. For each copy of a document filed in the DOI, a reasonable cost as fixed by the director. For rate and form filings not submitted electronically through the national System for Electronic Rate and Form Filing (SERFF) -Twenty dollars (\$20) for each rate or form filed in excess of ten (10) per calendar year.
04. Insurer Service of Process. For receiving and forwarding copy of summons or other process served upon the director as process agent of an insurer -Thirty dollars (\$30).
05. Agent Service of Process. For receiving and forwarding copy of summons or other process served upon the director as process agent of a nonresident producer or other person for which the director is authorized to serve as statutory agent for service of process - Thirty dollars (\$30).
06. Continuing Education. Filing continuing education applications for approval and certification of subjects of courses (each application) -Twenty-five dollars (\$25).

41. -049. (RESERVED)

50. REFUNDS.

All fees, licenses, and miscellaneous charges are non-refundable except as noted.

51. OVERPAYMENTS.

Overpayments of published fees will be returned only when such overpayments exceed twenty dollars (\$20), or upon request of the payor.

52. -999. (RESERVED)

18.01.34 - CERTIFICATE OF LIABILITY INSURANCE FOR MOTOR VEHICLES

00. LEGAL AUTHORITY.

The statutory authority for this rule is Title 67, Chapter 52, and Sections 49-1229, 49-1231, and 49-1608A, Idaho Code.

01. TITLE AND SCOPE.

01. Title. These rules shall be cited as IDAPA 18.01.34, "Certificate of Liability Insurance for Motor Vehicles."

02. Scope. These rules identify requirements for a certificate of liability insurance for motor vehicles pursuant to Sections 49-1229, 49-1331 and 49-1608A, Idaho Code.

02. WRITTEN INTERPRETATIONS.

This agency does not rely on written interpretations for these rules.

03. ADMINISTRATIVE APPEALS.

All contested cases shall be governed by the provisions of IDAPA 04.11.01, "Idaho Rules of Administrative Procedure of the Attorney General."

04. INCORPORATION BY REFERENCE.

There are no documents incorporated by reference.

05. OFFICE -- OFFICE HOURS -- MAILING ADDRESS AND STREET ADDRESS.

01. Office Hours. The Department of Insurance is open from 8 a.m. to 5 p.m. except Saturday, Sunday and legal holidays.

02. Mailing Address. The department's mailing address is: Idaho Department of Insurance, P.O. Box 83720, Boise, ID 83720-0043.

03. Street Address. The principal place of business is 700 West State Street, 3rd Floor, Boise, Idaho 83702-0043.

06. PUBLIC RECORDS ACT COMPLIANCE.

Any records associated with these rules are subject to the provisions of the Idaho Public Records Act, Title 9, Chapter 3, Idaho.

07.-- 010. (RESERVED).

11. CONTRACT OF INSURANCE, OR COPY THEREOF -- CERTIFICATE OF LIABILITY INSURANCE.

The original contract of liability insurance, or copy thereof, which demonstrates the current existence of liability insurance against loss resulting from liability imposed by law for bodily injury or death or damage to property suffered by any person caused by accident and arising out of the operation, maintenance or use of a motor vehicle or motor vehicles described therein in an amount not less than that required by Sections 49-117(18), 49-1212, and 49-1608A, Idaho Code, and also demonstrates the current existence of any other coverage required by Title 41, Idaho Code, is a form of a certificate of liability insurance prescribed as such by the Director of the Department of Insurance, provided said contract of liability insurance is issued by an insurer or surety authorized to do business in this state. For the purpose of this rule a written binder qualifies as a contract of liability insurance provided that it binds coverage in an amount not less than that required by Section 49-117(18), Idaho Code, and demonstrates the existence of any other coverage required by this rule, and provides further that the binder is not valid beyond issuance of the policy with respect to which it was given or beyond ninety (90) days from its effective date, whichever period is shorter.

12. MINIMUM SPECIFICATIONS FOR A CERTIFICATE OF LIABILITY INSURANCE IN LIEU OF THE CONTRACT OF INSURANCE, OR COPY THEREOF.

A document, which meets the minimum specifications provided in this rule, is deemed to be a certificate of liability insurance in a form prescribed by the Director of the Department of Insurance which is acceptable in lieu of an original contract of liability insurance or copy thereof, demonstrating the current existence of liability insurance as described in Section 011 of this rule. The minimum requirement of a document which will be deemed a certificate of liability insurance in lieu of the original contract of liability insurance, or copy thereof, are as follows:

01. Individual-Owned Motor Vehicles.

- a. Name of Insurer. The document shall contain the name of the insurer or surety company authorized to do business in this state.
- b. Name and Address of Motor Vehicle Owner. The document shall set forth the name and address of the owner of the motor vehicle that is insured.
- c. Description of Motor Vehicles. The document shall set forth a description of the motor vehicle including identification number, if there be one, or in lieu of the identification number, the last three digits of the identification number which is commonly known in the insurance industry as the VIN (Vehicle Identification Number), if there be one vehicle, or in lieu of the vehicle identification number, the words "all owned vehicles" may be used if more than one vehicle is insured.
- d. Effective Date. The document shall set forth the effective date the liability insurance coverage commences.
- e. Title of Document. The document may, but is not required to be entitled "Certificate of Liability Insurance" or "Liability Insurance Identification Card." The words "State of Idaho" may be added to the title at the insurer's option, but the words "State of Idaho" are not required.
- f. Date Coverage Ceases. The document may set forth the date the liability insurance coverage ceases, or in lieu thereof and at the insurer's option, the document may state "not valid beyond _____," provided that the phrase is completed to indicate termination of coverage at the end of a fixed period, or "not valid for more than one year," or "continuous until cancelled."
- g. Policy Number. The number of the insurance policy or the document is suggested, but is nevertheless optional and need not be placed on the document.
- h. Suggested Language. The sentence "KEEP THIS CERTIFICATE IN YOUR AUTOMOBILE AT ALL TIMES" is suggested, but nevertheless is optional and need not be placed on the document.

02. Dealer and Manufacturer Vehicles.

- a. Name of Insurer. The document shall contain the name of the insurer or surety company authorized to do business in this state.
- b. Name and Address of Dealer or Manufacturer. The document shall set forth the name and address of the dealership and identify the owner(s) (name of dealer, partners, corporation or LLC members) of the motor vehicle that is insured.
- c. Effective Date. The document shall set forth the effective date the liability insurance coverage commences.
- d. Title of Document. The document may, but is not required to be entitled "Certificate of Liability Insurance" or "Liability Insurance Identification Card." The words "State of Idaho" may be added to the title at the insurer's option, but the words "State of Idaho" are not required.
- e. Date Coverage Ceases. The document may set forth the date the liability insurance coverage ceases, or in lieu thereof and at the insurer's option, the document may state "not valid beyond," provided that the phrase is completed to indicate termination of coverage at the end of a fixed period, or "not valid for more than one year," or "continuous until cancelled."
- f. Policy Number. The number of the insurance policy or the document is suggested, but is nevertheless optional and need not be placed on the document.

13. EXAMPLE OF A NONEXCLUSIVE FORMAT FOR A DOCUMENT WHICH MEETS THE REQUIREMENTS OF A CERTIFICATE OF LIABILITY INSURANCE IN A FORM PRESCRIBED BY THE DIRECTOR OF THE DEPARTMENT OF INSURANCE.

01. Exhibit A. Exhibit "A" to this rule is a format for a document which meets the requirements of a certificate of liability insurance as required by Section 49-1231, Idaho Code, in a form prescribed by the Director of the Department of Insurance; provided, however, that the following form is not exclusive, and other formats for documents which meet the minimum specifications provided in Section 012 of this rule are also deemed to qualify as a certificate of liability insurance in a form prescribed by the Director of the Department of Insurance.

02. Exhibit B. Exhibit "B" to this rule is a format for a document which meets the requirements of a certificate of liability insurance for dealers and vehicle manufacturers as required by Section 49-1608A, Idaho Code, in a form prescribed by the Director of the Department of Insurance; provided, however, that the following form is not exclusive, and other formats for documents which meet the minimum specifications provided in Section 012 of this rule are also deemed to qualify as a certificate of liability insurance in a form prescribed by the Director of the Department of Insurance.

14. EXAMPLE OF CERTIFICATE OF LIABILITY INSURANCE TO BE ISSUED BY THE DIRECTOR OF THE DEPARTMENT OF INSURANCE.

The Director of the Department of Insurance will issue a certificate of liability insurance to the owner(s) of a motor vehicle who posts an indemnity bond in a form approved by the Director of the Department of Insurance, pursuant to Section 49-1229(2), Idaho Code in an amount of not less than fifty thousand dollars (\$50,000) for any one (1) accident of which fifteen thousand dollars (\$15,000) shall be for property damage for each vehicle registered up to a maximum of one hundred twenty thousand dollars (\$120,000) for five (5) or more vehicles. Exhibit "C" to this rule reflects the format for a certificate of liability insurance to be issued by the Director of the Department of Insurance when an indemnity bond is posted with the Department pursuant to Section 49-1229(2), Idaho Code, in lieu of purchasing a policy of insurance.

15. SEVERABILITY.

If any provision of this rule shall be held invalid, the remainder of the rule shall not be affected thereby. 16. -- 999. (RESERVED).
