

State of Idaho
DEPARTMENT OF INSURANCE

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NOTICE TO PROPERTY & CASUALTY CARRIERS
IDAPA 18.02.01
APRIL 15, 2022
CHANGES

Effective April 1, 2022, changes to IDAPA 18.02.01 - INSURANCE RATES AND CREDIT RATING will be applied to newly submitted rate filings. The rule was revised as part of periodic rule review. The changes include the insurer submitting an attestation and supporting documentation to evaluate whether rating decisions are improperly based on a credit factor or factors. The rule is available on the Idaho Department of Insurance website. <https://doi.idaho.gov/>

Credit factors are defined in the rule and include any factor or criteria derived from information obtained from consumer reporting agencies that bears on a consumer's credit worthiness, credit standing, credit capacity, character, general reputation, personal characteristics, or mode of living, used by an insurer to determine policy premium rates or whether to issue, cancel, or non-renew a policy.

The revised rule requires rate filings to include the following:

1. An attestation stating that rate, issuance, non-renewal, and cancellation decisions are not primarily based on credit factors, and that the rating is compliant with Paragraph 100.01.b. of IDAPA 18.02.01. The attestation is to be dated and signed by an officer of the company.
2. Details of the rating process, including an explanation of all factors considered, and how the process is applied.
3. Two hypothetical scenarios demonstrating that the premium rate using the highest credit factor does not exceed twice the premium using the lowest credit factor, all noncredit factors being unchanged and notwithstanding any optional coverage. The two scenarios should be representative of insurer's book of business, with differing levels of coverage and demographics.

To comply with the new rule, insurers are expected to provide the above information in each rate filing submitted on or after April 1, 2022. Idaho requirements for this rule and the attestation must be complete or the filing will be disapproved.

This notice is not new law but is an agency interpretation of existing law, except as authorized by law or as incorporated into a contract. Any questions regarding this notice can be directed to the Rates and Forms Section at Companies@doi.idaho.gov