

IN THE SENATE

SENATE BILL NO. 1281

BY COMMERCE AND HUMAN RESOURCES COMMITTEE

AN ACT

1 RELATING TO MOTOR VEHICLE INSURANCE; AMENDING SECTION 41-2503, IDAHO CODE,
2 TO PROVIDE THAT CERTAIN POLICIES SHALL BE CONSTRUED TO PROVIDE COVERAGE
3 IN EXCESS OF THE LIABILITY COVERAGE OF ANY UNDERINSURED MOTOR VEHICLE
4 INVOLVED IN AN ACCIDENT; AND DECLARING AN EMERGENCY AND PROVIDING AN EF-
5 FECTIVE DATE.
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7 Be It Enacted by the Legislature of the State of Idaho:

8 SECTION 1. That Section 41-2503, Idaho Code, be, and the same is hereby
9 amended to read as follows:

10 41-2503. DEFINITIONS AND APPLICATION. (1) For the purposes of unin-
11 sured motorist coverage, the term "uninsured motor vehicle" shall, subject
12 to the terms and conditions of such coverage, be deemed to include an insured
13 motor vehicle where the liability insurer thereof is unable to make payment
14 with respect to the legal liability of its insured within the limits speci-
15 fied therein because of insolvency.

16 (2) For purposes of underinsured motorist coverage, subject to the fur-
17 ther definitions, terms and conditions of such coverage, the term "underin-
18 sured motor vehicle" means a motor vehicle that is a self-insured motor vehi-
19 cle, or a motor vehicle that is covered by a policy of motor vehicle liabil-
20 ity insurance or an indemnity bond, with limits for bodily injury or death at
21 least equal to those limits set forth in section 49-117(20), Idaho Code.

22 (3) With respect to policies issued or renewed on or after January 1,
23 2023, any underinsured motor vehicle coverage with limits of liability less
24 than two (2) times the minimum limits for bodily injury or death specified
25 in section 49-117(20), Idaho Code, shall be construed to provide coverage in
26 excess of the liability coverage of any underinsured motor vehicle involved
27 in the accident.

28 (4) Except as provided in ~~subsections (1) and (2) of this section~~, the
29 terms and conditions of any policy of motor vehicle liability insurance pro-
30 viding uninsured motorist coverage or underinsured motorist coverage are
31 not altered or amended.

32 SECTION 2. An emergency existing therefor, which emergency is hereby
33 declared to exist, this act shall be in full force and effect on and after
34 July 1, 2022.