

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 584

BY HEALTH AND WELFARE COMMITTEE

AN ACT

1 RELATING TO CASUALTY INSURANCE CONTRACTS; AMENDING SECTION 41-2503, IDAHO
2 CODE, TO REVISE PROVISIONS REGARDING UNDERINSURED MOTOR VEHICLE COVER-
3 AGE AND TO PROVIDE A CORRECT CODE REFERENCE; AND PROVIDING AN EFFECTIVE
4 DATE AND FOR APPLICABILITY.
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6 Be It Enacted by the Legislature of the State of Idaho:

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

9 41-2503. DEFINITIONS AND APPLICATION. (1) For the purposes of unin-
10 sured motorist coverage, the term "uninsured motor vehicle" shall, subject
11 to the terms and conditions of such coverage, be deemed to include an insured
12 motor vehicle where the liability insurer thereof is unable to make payment
13 with respect to the legal liability of its insured within the limits speci-
14 fied therein because of insolvency.

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

21 (3) Underinsured motor vehicle coverage is excess coverage in addition
22 to the insufficient coverage of the tortfeasor, and such underinsured motor
23 vehicle coverage limits may not be reduced by amounts paid by the tortfea-
24 sor's coverage or any other coverage.

25 (4) A covered insured may not have a right under an applicable underin-
26 sured motorist policy to payment pursuant to the underinsured motor vehicle
27 coverage that would provide recovery of an amount greater than the total le-
28 gal liability of the tortfeasor or the applicable limits of the underinsured
29 coverage, whichever is the lesser.

30 (5) A covered insured seeking coverage under his or her underinsured
31 motorist policy may not aggregate or otherwise stack the policy amounts of
32 more than one (1) vehicle covered under the identical underinsured policy at
33 issue in an effort to increase the amount of his or her underinsured motorist
34 policy limits applicable in the covered accident.

35 (6) Except as provided in subsections (1) ~~and~~ through (25) of this sec-
36 tion, the terms and conditions of any policy of motor vehicle liability in-
37 surance providing uninsured motorist coverage or underinsured motorist cov-
38 erage are not altered or amended.

39 SECTION 2. This act shall be in full force and effect on and after Jan-
40 uary 1, 2017, and shall apply to all relevant policies, coverages and con-
41 tracts that are written or renewed on and after January 1, 2017.