

TITLE 41
INSURANCE

CHAPTER 14
PROPERTY INSURANCE RATES

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.

[41-1401, added 1961, ch. 330, sec. 306, p. 645; am. 1969, ch. 306, sec. 1, p. 917.]

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.

[41-1402, added 1961, ch. 330, sec. 307, p. 645; am. 1969, ch. 306, sec. 2, p. 917.]

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.

[41-1405, added 1961, ch. 330, sec. 310, p. 645; am. 1969, ch. 306, sec. 3, p. 917; am. 1977, ch. 142, sec. 6, p. 308.]

41-1415. RATING ORGANIZATIONS -- LICENSING. (1) Any person, corporation, unincorporated association, partnership or individual, whether located within or outside this state, not an officer or employee of any insurer, may apply to the director for a license as a rate making organization for such kinds of insurance or subdivisions or classes of risk or part or combination thereof as are specified in its application. Any property insurance rating bureau licensed under the provisions of this chapter, except a crop hail or nuclear energy insurance rating bureau, shall be entirely independent in its operation and management and shall not be a branch or division of any other property insurance rating bureau. A property insurance rating organization shall establish and maintain a rate making office in this state, and to the extent reasonably possible shall maintain in such office all the files and records relating to the rates currently made by such rating organization and the making thereof; but this provision does not apply as to marine or inland marine or crop hail insurance rating organizations.

(2) As part of its application the rating organization shall file with the director:

(a) Copy of its constitution, its articles of agreement or association or its certificate of incorporation, and of its by-laws, rules and regulations governing the conduct of its business;

(b) A list of its members and subscribers;

(c) The name and address of a resident of this state upon whom notices or orders of the director or process affecting the rating organization may be served; and

(d) A statement of its qualifications as a rating organization.

(3) If the director finds that the applicant is competent, trustworthy and otherwise qualified to act as a rating organization, and that its constitution, articles of agreement or association or certificate of incorporation, and its by-laws, rules and regulations governing the conduct of its

business conform to the requirements of law, he shall issue a license specifying the kinds of insurance or subdivision or class of risk or part or combination thereof for which the applicant is authorized to act as a rating organization. Every such application shall be granted or denied in whole or in part by the director within sixty (60) days of the date of its filing with him.

[41-1415, added 1961, ch. 330, sec. 320, p. 645; am. 1966 (2nd E.S.), ch. 2, sec. 1, p. 12; am. 1969, ch. 306, sec. 4, p. 917.]

41-1416. PERIOD LICENSE EFFECTIVE -- RENEWAL -- FEE -- SUSPENSION OR REVOCATION. (1) Licenses issued to rating organizations under section [41-1415](#), Idaho Code, shall remain in effect for one (1) year, unless sooner suspended or revoked by the director, and may be renewed for successive periods of one (1) year each upon application of the rating organization and payment in advance of the license fee.

(2) The fee for the license shall be in the amount set forth by rule pursuant to section [41-401](#), Idaho Code.

(3) The director may suspend or revoke the license if he finds, after a hearing thereon of which notice was duly given to the rating organization, that the rating organization no longer meets the requirements of section [41-1415](#), Idaho Code, or for failure to comply with the director's order as provided in section [41-1432](#), Idaho Code.

[41-1416, added 1961, ch. 330, sec. 321, p. 645; am. 2001, ch. 85, sec. 5, p. 214.]

41-1417. ADMISSION OF SUBSCRIBERS -- SERVICES NONDISCRIMINATORY. (1) Subject to rules which have been approved by the director as reasonable, each rating organization shall permit any insurer, not a member, to be a subscriber to its rating services for any kind of insurance or subdivision thereof, or class of risk or a part or combination thereof for which it is authorized to act as a rating organization. Notice of proposed changes in such rules shall be given to subscribers.

(2) Each rating organization shall furnish its rating services without discrimination to its members and subscribers.

(3) The reasonableness of any rule in its application to subscribers, or the refusal of any rating organization to admit an insurer as a subscriber, shall, at the request of any subscriber or any such insurer, be reviewed by the director at a hearing upon notice to the rating organization and to the subscriber or insurer in accordance with [chapter 2, title 41](#), Idaho Code. If the director finds that such rule is unreasonable in its application to subscribers, he shall order that the rule shall not be applicable to subscribers. If a rating organization fails to grant or reject an insurer's application for subscribership within thirty (30) days after it was made, the insurer may request a review by the director as if the application had been rejected. If the director finds that the insurer has been refused admittance to the rating organization as a subscriber without justification, he shall order the rating organization to admit the insurer as a subscriber. If he finds that the action of the rating organization was justified, he shall make an order affirming its action.

[41-1417, added 1961, ch. 330, sec. 322, p. 645; am. 2005, ch. 77, sec. 10, p. 262.]

41-1420. NOTICE OF RATING ORGANIZATION CHANGES. Every rating organization shall notify the director promptly of every change in (1) its constitution, its articles of agreement or association, or its certificate of incorporation, and its by-laws, rules and regulations governing the conduct of its business, (2) its list of members and subscribers, and (3) the name and address of the resident of this state designated by it upon whom notice or orders of the director or process affecting such rating organization may be served.

[41-1420, added 1961, ch. 330, sec. 325, p. 645.]

41-1421. TECHNICAL SERVICES. Any rating organization may subscribe for or purchase actuarial, technical or other services, and such services shall be available to all members and subscribers without discrimination.

[41-1421, added 1961, ch. 330, sec. 326, p. 645.]

41-1425. ADVISORY ORGANIZATIONS. (1) No advisory organization shall conduct its operations in this state unless and until it has filed with the director:

(a) A copy of its constitution, its articles of agreement or association, or its certificate of incorporation and of its by-laws, rules and regulations governing its activities;

(b) A list of its members and subscribers;

(c) The name and address of a resident of this state upon whom notices or orders of the director or process issued at his direction may be served; and

(d) An agreement that the director may examine such advisory organization in accordance with the provisions of section [41-1427](#).

(2) Every such advisory organization shall notify the director promptly of every change in its constitution, its articles of certificate of incorporation, or of agreement or association, and of its by-laws, rules and regulations governing conduct of its business; its list of members and subscribers; and the name and address of the resident of this state designated by it upon whom notices or orders of the director or process affecting such organization may be served.

(3) No such advisory organization shall engage in any unfair or unreasonable practice with respect to such activities.

[41-1425, added 1961, ch. 330, sec. 330, p. 645; am. 1969, ch. 306, sec. 5, p. 917.]

41-1426. JOINT UNDERWRITING OR JOINT REINSURANCE. (1) Every group, association, or other organization of insurers which engages in joint underwriting or joint reinsurance, shall be subject to regulation with respect thereto as herein provided, subject, however, with respect to joint underwriting, to all other applicable provisions of this chapter, or chapter 16 (worker's compensation rates), [title 41](#), Idaho Code, and, with respect to joint reinsurance to sections as follows:

(a) Section [41-1427](#) (examination of rating, advisory, and joint reinsurance organizations);

(b) Section [41-1432](#) (penalties); and

(c) Section [41-1434](#) (hearing procedure).

(2) If, after a hearing, the director finds that any activity or practice of any such group, association or other organization is unfair or un-

reasonable or otherwise inconsistent with the applicable provisions of this chapter, or [chapter 16, title 41](#), Idaho Code, he may issue a written order specifying in what respects such activity or practice is unfair or unreasonable or otherwise inconsistent with such provisions, and requiring the discontinuance of such activity or practice.

[41-1426, added 1961, ch. 330, sec. 331, p. 645; am. 1969, ch. 306, sec. 6, p. 917; am. 2005, ch. 77, sec. 11, p. 262.]

41-1427. EXAMINATION OF INSURERS AND RATING, ADVISORY, JOINT UNDERWRITING, AND JOINT REINSURANCE ORGANIZATIONS. (1) As often as he deems necessary, and not less frequently than each five (5) years, the director shall examine each licensed rating organization, each advisory organization, each group, association or other organization of insurers which engages in joint underwriting or joint reinsurance, and each authorized insurer transacting in this state any class of insurance to which the provisions of this chapter are applicable. The examination shall be for the purpose of ascertaining compliance by the person examined with the applicable provisions of this chapter. As to insurers, no such examination requirement shall be satisfied by the periodic examination of the insurer's general affairs.

(2) In lieu of any such examination the director may accept the report of a similar examination made by the insurance supervisory official of another state.

(3) The reasonable cost of the examination shall be paid by the person examined, and such person shall be subject, as though an "insurer," to the provisions of section [41-228](#), Idaho Code, (examination expense).

(4) Such examination shall also be subject to the applicable provisions of sections [41-223](#), Idaho Code, (conduct of examination), [41-227](#), Idaho Code, (examination report), [41-229](#), Idaho Code, (witnesses and evidence) and [41-230](#), Idaho Code, (testimony compelled -- immunity from prosecution).

[41-1427, added 1961, ch. 330, sec. 332, p. 645; am. 1969, ch. 306, sec. 7, p. 917; am. 2007, ch. 279, sec. 1, p. 810.]

41-1428. RECORDING AND REPORTING OF LOSS AND EXPENSE EXPERIENCE. (1) The director shall promulgate and may modify reasonable rules and statistical plans, reasonably adapted to each of the rating systems used, (to time) and which shall be used thereafter by each insurer in the recording and reporting of its loss and countrywide expense experience, in order that the experience of all insurers may be made available at least annually in such form and detail as may be necessary to aid him in determining whether rates comply with the applicable standards of this chapter. Such rules and plans may also provide for the recording and reporting of expense experience items which are specially applicable to this state and are not susceptible of determination by a prorating of countrywide expense experience.

(2) In promulgating such rules and plans the director shall give due consideration to the rating systems in use in this state and, in order that such rules and plans may be as uniform as is practicable among the several states, to the rules and to the form of the plans used for such rating systems in other states.

(3) No insurer shall be required to record or report its loss experience on a classification basis that is inconsistent with the rating system used by it.

(4) The director may designate one or more rating organizations or other agencies to assist him in gathering such experience and making compilations thereof, and such compilations shall be made available, subject to reasonable rules promulgated by the director, to insurers and rating organizations.

[41-1428, added 1961, ch. 330, sec. 333, p. 645; am. 1969, ch. 306, sec. 8, p. 917.]

41-1429. INTERCHANGE OF DATA -- CONSULTATION. (1) The director may promulgate reasonable rules and plans for the interchange of data necessary for the application of rating plans.

(2) In order to further uniform administration of rate regulatory laws, the director and every insurer and rating organization may exchange information and experience data with insurance supervisory officials, insurers and rating organizations in other states and may consult with them with respect to rate making and the application of rating systems.

[41-1429, added 1961, ch. 330, sec. 334, p. 645.]

41-1430. DISCLOSURE OF INFORMATION AND IMMUNITY. (1) Information acquired as a result of any inspection or survey by any rating organization or advisory organization shall be disclosed, upon request, to any requesting person with an insurable interest in the property and to any person designated by regulation of the Idaho department of insurance. The rating organization or advisory organization may require the person requesting the information to pay the reasonable costs of duplicating the information requested.

(2) No rating organization, advisory organization, or its officers, directors, employees, or any of its members, shall be civilly liable for the information contained in any of its records or reports prepared in good faith and in accordance with this chapter. No rating organization, advisory organization, or its officers, directors or employees or any of its members shall have a duty to disclose the information contained in their records or reports except as provided in this chapter.

[41-1430, added 1982, ch. 347, sec. 1, p. 862.]

41-1431. FALSE OR MISLEADING INFORMATION. No person or organization shall wilfully withhold information from, or knowingly give false or misleading information to, the director, any statistical agency designated by the director, any rating organization, or any insurer, which will affect the rates or premiums chargeable under this code. A violation of this section shall subject the one guilty of such violation to the penalties provided in section [41-1432](#).

[41-1431, added 1961, ch. 330, sec. 336, p. 645.]

41-1432. PENALTIES FOR VIOLATIONS OR NONCOMPLIANCE. (1) Violations of this chapter, or of chapter 16 (worker's compensation rates), [title 41](#), Idaho Code, shall be subject to the penalties provided by section [41-117](#) (general penalty), Idaho Code.

(2) After a hearing in accordance with [chapter 2, title 41](#), Idaho Code, the director may suspend or revoke any insurer which has failed to comply with an order of the director within the time limited by the order, or within

any extension of time which the director may grant. The director shall not so suspend or revoke for failure to comply with his order until the time prescribed for an appeal from such order has expired or if an appeal has been taken, until such order has been affirmed. The director may determine when the suspension or revocation shall become effective, and, subject to section [41-329](#), Idaho Code, as to an insurer's certificate of authority, any suspension order shall remain in effect for the period fixed by him unless he modifies or rescinds the suspension or until the order upon which the suspension is based is modified, rescinded or reversed.

[41-1432, added 1961, ch. 330, sec. 337, p. 645; am. 1969, ch. 306, sec. 9, p. 917; am. 2005, ch. 77, sec. 12, p. 263.]

41-1433. RULES AND REGULATIONS. As provided in section [41-211](#) (rules and regulations) the director may make reasonable rules and regulations necessary to effectuate any provisions of this chapter or of chapter 16 (workmen's compensation rates).

[41-1433, added 1961, ch. 330, sec. 338, p. 645; am. 1969, ch. 306, sec. 10, p. 917.]

41-1434. HEARING PROCEDURE. [(1)] An insurer, rating organization, or insurance examining bureau aggrieved by an order or decision of the director made without a hearing, may, within thirty (30) days after notice of the order to the insurer, organization or bureau, make written request to the director for a hearing thereon. The director shall hear such party or parties in accordance with [chapter 2, title 41](#), Idaho Code.

[41-1434, added 1961, ch. 330, sec. 339, p. 645; am. 1969, ch. 306, sec. 11, p. 917; am. 2005, ch. 77, sec. 13, p. 263.]

41-1436. DEFINITIONS. As used in this chapter:

(1) "Rating organization" means every person, other than an authorized insurer, whether located within or outside this state, who has as his object or purpose the making of rates, rating plans or rating systems. Two (2) or more authorized insurers which act in concert for the purpose of making rates, rating plans or rating systems, and which do not operate within the specific authorizations contained in section [41-1426](#) (joint underwriting or joint reinsurance), section [41-1438](#) of this act (acts in concert), and section [41-1441](#) of this act (assigned risks), shall be deemed to be a rating organization.

(2) "Advisory organization" means every group, association, or other organization of insurers, whether located within or outside this state, which prepares policy forms or makes underwriting rules incident to but not including the making of rates, rating plans or rating systems or which collects and furnishes to authorized insurers or rating organizations loss or expense statistics or other statistical information and data and acts in an advisory, as distinguished from a rate-making, capacity.

(3) "Member" means an insurer which participates in or is entitled to participate in the management of a rating, advisory or other organization.

(4) "Subscriber" means an insurer which is furnished at its request:

(a) With rates and rating manuals by a rating organization of which it is not a member, or

(b) With advisory services by an advisory organization of which it is not a member.

(5) "Wilful" or "wilfully" in relation to an act or omission which constitutes a violation of this chapter means with actual knowledge or belief that such act or omission constitutes such violation and with specific intent nevertheless to commit such act or omission.

[I.C., sec. 41-1436, as added by 1969, ch. 306, sec. 13, p. 917.]

41-1437. MAKING AND USE OF RATES. (1) As to all rates which are subject to this chapter, due consideration shall be given to past and prospective loss experience within and outside this state, to the conflagration and catastrophe hazards, to a reasonable margin for underwriting profit and contingencies, to dividends, savings or unabsorbed premium deposits allowed or returned by insurers to their policy holders, members or subscribers, to past and prospective expenses both countrywide and those specifically applicable to this state, and to all other relevant factors, including judgment factors, within and outside this state; and in the case of fire insurance rates, consideration shall be given to the experience of the fire insurance business during a period of not less than the most recent five (5) year period for which such experience is available.

(2) The systems of expense provisions included in the rates for use by an insurer or group of insurers may differ from those of other insurers or groups of insurers to reflect the requirements of the operating methods of any such insurer or group with respect to any kind of insurance, or with respect to any subdivision or combination thereof for which subdivision or combination separate expense provisions are applicable.

(3) Risks may be grouped by classification for the establishment of rates and minimum premiums. Classification rates may be modified to produce rates for individual risks in accordance with rating plans which establish standards for measuring variations in hazards or expense provisions, or both. Such standards may measure any difference among risks that can be demonstrated to have a probable effect upon losses or expenses. Such classifications and modifications shall apply to all risks under the same or substantially the same circumstances or conditions.

[I.C., sec. 41-1437, as added by 1969, ch. 306, sec. 14, p. 917.]

41-1438. TWO OR MORE INSURERS MAY ACT IN CONCERT. (1) Subject to and in compliance with the provisions of this chapter authorizing insurers to be members or subscribers of rating or advisory organizations or to engage in joint underwriting or joint reinsurance, two (2) or more insurers may act in concert with each other and with others with respect to any matters pertaining to the making of rates or rating systems, the preparation or making of insurance policy or bond forms, underwriting rules, surveys, inspections and investigations, the furnishing of loss or expense statistics or other information and data, or carrying on of research.

(2) With respect to any matters pertaining to the making of rates or rating systems, the preparation or making of insurance policy or bond forms, underwriting rules, surveys, inspections and investigations, the furnishing of loss or expense statistics or other information and data, or carrying on of research, two (2) or more authorized insurers having a common ownership or operating in the state under common management or control, are hereby authorized to act in concert between or among themselves the same as if they

constituted a single insurer, and to the extent that such matters relate to co-surety bonds, two (2) or more authorized insurers executing such bond are hereby authorized to act in concert between or among themselves the same as if they constituted a single insurer.

(3) Members and subscribers of rating or advisory organizations may use the rates, rating systems, underwriting rules or policy or bond forms of such organizations, either consistently or intermittently, but except as provided in subsection (2) of this section, section [41-1426](#) (joint underwriting or joint reinsurance), and section [41-1441](#) (assigned risks) of this act, shall not agree with each other or rating organizations or others to adhere thereto. The fact that two (2) or more authorized insurers, whether or not members or subscribers of a rating or advisory organization, use, either consistently or intermittently, the rates or rating systems made or adopted by a rating organization, or the underwriting rules or policy or bond forms prepared by a rating or advisory organization, shall not be sufficient in itself to support a finding that an agreement to so adhere exists, and may be used only for the purpose of supplementing or explaining direct evidence of the existence of any such agreement.

(4) Licensed rating organizations and authorized insurers are authorized to exchange information and experience data with rating organizations and insurers in this and other states and may consult with them with respect to rate making and the application of rating systems.

(5) Upon compliance with the provisions of this chapter applicable thereto any rating organization, advisory organization, and any group, association or other organization of authorized insurers which engages in joint underwriting or joint reinsurance through such organization or by standing agreement among the members thereof, may conduct operations in this state. As respects insurance risks or operations in this state, no insurer shall be a member or subscriber of any such organization, group or association that has not complied with the provisions of this chapter applicable to it.

[I.C., sec. 41-1438, as added by 1969, ch. 306, sec. 15, p. 917.]

41-1439. RECORDS. (1) Every insurer, rating organization or advisory organization and every group, association or other organization of insurers which engages in joint underwriting or joint reinsurance shall maintain reasonable records, of the type and kind reasonably adapted to its method of operation, of its experience or the experience of its members and of the data, statistics or information collected or used by it in connection with the rates, rating plans, rating systems, underwriting rules, policy or bond forms, surveys or inspections made or used by it, so that such records will be available at all reasonable times to enable the director to determine whether such organization, insurer, group or association, and, in the case of an insurer or rating organization, every rate, rating plan and rating system made or used by it, complies with the provisions of this chapter applicable to it. The maintenance of such records in the office of a licensed rating organization of which an insurer is a member or subscriber will be sufficient compliance with this section for any such insurer maintaining membership or subscribership in such organization, to the extent that the insurer uses the rates, rating plans, rating systems or underwriting rules of such organization. Such records shall be maintained in an office within this state or shall be made available for examination or inspection within this state by the director at any time upon reasonable notice.

(2) In addition to or in lieu of any other penalty therefor, for each failure to maintain the records as required hereunder the director may impose upon the person so failing the penalty prescribed by section [41-1432](#).

[I.C., sec. 41-1439, as added by 1969, ch. 306, sec. 16, p. 917.]

41-1440. HEARINGS. (1) Any person aggrieved by any rate charged, rating plan, rating system, or underwriting rule followed or adopted by an insurer or rating organization may himself or by his authorized representative make written request of the insurer or rating organization to review the manner in which the rate, plan, system, or rule has been applied with respect to insurance afforded him. If the request is not granted within thirty (30) days after it is made, the requestor may treat it as rejected. Any person aggrieved by the refusal of an insurer or rating organization to grant the review requested, or by the failure or refusal to grant all or part of the relief requested, may file a written complaint and request for hearing with the director, specifying the grounds relied upon. If the director has already disposed of the issue as raised by a similar complaint, he may deny the hearing. If the director believes that probable cause for the complaint does not exist or that the complaint is not made in good faith, he shall deny the hearing. Otherwise, and if he also finds that the complaint charges a violation of this chapter and that the complainant would be aggrieved if the violation is proven, he shall proceed as provided in subsection (2) of this section.

(2) If after examination of an insurer, rating organization, advisory organization, or group, association or other organization of insurers which engages in joint underwriting or joint reinsurance, or upon the basis of other information, or upon sufficient complaint as provided in subsection (1) of this section, the director has good cause to believe that such insurer, organization, group or association, or any rate, rating plan or rating system made or used by any such insurer or rating organization, does not comply with the requirements and standards of this chapter applicable to it, he shall, unless he has good cause to believe such noncompliance is willful, give notice in writing to such insurer, organization, group or association stating therein in what manner and to what extent noncompliance is alleged to exist and specifying therein a reasonable time, not less than ten (10) days thereafter, in which the noncompliance may be corrected. Notices under this section shall be subject to disclosure according to [chapter 1, title 74](#), Idaho Code, unless a hearing is held under subsection (3) of this section.

(3) If the director has good cause to believe that such noncompliance is willful, or if within the period prescribed by the director in the notice required by subsection (2) of this section, the insurer, organization, group or association does not make such changes as may be necessary to correct the noncompliance specified by the director or establish to the satisfaction of the director that such specified noncompliance does not exist, then the director may hold a public hearing in connection therewith in accordance with [chapter 2, title 41](#), Idaho Code. If no notice has been given as provided in subsection (2) of this section, the notice shall state in what manner and to what extent noncompliance is alleged to exist. The hearing shall not consider any subject not specified in the notice required by subsection (2) of this section.

(4) If after a hearing pursuant to subsection (3) of this section, the director finds:

(a) That any rate, rating plan or rating system violates the applicable provisions of this chapter, he may issue an order to the insurer, or rating organization, group or association which has been the subject of the hearing specifying in what respects such violation exists and requiring compliance within a reasonable time thereafter.

(b) That an insurer, rating organization, advisory organization, or a group, association or other organization of insurers which engages in joint underwriting or joint reinsurance, is in violation of the applicable provisions of this chapter other than the provisions dealing with rates, rating plans or rating systems, he may issue an order to such insurer, organization, group or association which has been the subject of the hearing specifying in what respects such violation exists and requiring compliance within a reasonable time thereafter.

(c) That any such violation by an insurer or rating organization which has been the subject of hearing was willful, he may suspend or revoke, in whole or in part, the certificate of authority of such insurer or the license of such rating organization with respect to the class of insurance which has been a subject of the hearing.

(d) That any rating organization has willfully engaged in any fraudulent or dishonest act or practice, he may suspend or revoke, in whole or in part, the license of such organization in addition to any other penalty provided in this chapter.

(5) Except as otherwise provided in this chapter, all proceedings in connection with the denial, suspension or revocation of a license or certificate of authority shall be conducted in accordance with the provisions of chapters 2 and 3, [title 41](#), Idaho Code, and the director shall have all the powers granted to him therein.

[41-1440, added 1969, ch. 306, sec. 17, p. 917; am. 1990, ch. 213, sec. 57, p. 524; am. 2005, ch. 77, sec. 15, p. 264; am. 2015, ch. 141, sec. 110, p. 459.]

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.

[I.C., sec. 41-1441, as added by 1969, ch. 306, sec. 18, p. 917; am. 1996, ch. 305, sec. 2, p. 1001.]