

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 72

BY BUSINESS COMMITTEE

AN ACT

RELATING TO INSURANCE; AMENDING SECTION 41-1315, IDAHO CODE, TO REVISE PROVISIONS REGARDING EXCEPTIONS TO DISCRIMINATION OR REBATE PROVISIONS; AND DECLARING AN EMERGENCY AND PROVIDING AN EFFECTIVE DATE.

Be It Enacted by the Legislature of the State of Idaho:

SECTION 1. That Section 41-1315, Idaho Code, be, and the same is hereby amended to read as follows:

41-1315. EXCEPTIONS TO DISCRIMINATION OR REBATE PROVISION ~~--- LIFE OR DISABILITY POLICIES, AND ANNUITY CONTRACTS.~~ (1) Nothing in sections 41-1313 and 41-1314, Idaho Code, shall be construed as including within the definition of discrimination or rebates or illegal inducements any of the following practices:

~~(1) (a)~~ In the case of any contract of life insurance or ~~life~~ annuity, paying bonuses to policy holders or otherwise abating their premiums in whole or in part out of surplus accumulated from nonparticipating insurance, provided that any such bonuses or abatement of premiums shall be fair and equitable to policy holders ~~;~~;

~~(2) (b)~~ In the case of life insurance policies issued on the debit plan, making allowance to policy holders who have continuously for a specified period made premium payments directly to an office of the insurer in an amount ~~which~~ that fairly represents the saving in collection expense ~~;~~;

~~(3) (c)~~ ~~Readjustment of~~ Readjusting the rate of premium for a group insurance policy based on the loss or expense experience thereunder, at the end of the first or any subsequent policy year of insurance thereunder, which may be made retroactive only for such policy year ~~;~~;

~~(4) (d)~~ Issuing life or disability insurance policies on a salary savings, bank draft, preauthorized check or payroll deduction plan or other similar plan at a reduced rate reasonably related to the savings made by use of such plan ~~;~~;

~~(5) (e)~~ ~~Issuance of~~ Issuing life or disability insurance policies or annuity contracts at rates less than the usual rates of premiums for such policies or contracts, or modification of premium or rate based on amount of insurance; but any such issuance or modification shall not result in reduction in premium or rate in excess of savings in administration and issuance expenses reasonably attributable to such policies or contracts ~~;~~;

(f) Engaging in an arrangement that would not violate the provisions of 12 U.S.C. 1972, as interpreted by the board of governors of the federal reserve system, or 12 U.S.C. 1464(q); or

(g) Insurers or producers offering or providing, by or through employees, affiliates, or third-party representatives, value-added products

1 or services at no or reduced cost when such products or services are not
2 specified in the policy of insurance if:

3 (i) The product or service relates to the insurance coverage and
4 is primarily designed to:

5 1. Provide loss mitigation or loss control;

6 2. Reduce claim costs or claim settlement costs;

7 3. Provide education about liability risks or risk of loss
8 to persons or property;

9 4. Monitor or assess risk, identify sources of risk, or de-
10 velop strategies for eliminating or reducing risk;

11 5. Enhance health;

12 6. Enhance financial wellness through items such as educa-
13 tion or financial planning services;

14 7. Provide post-loss services;

15 8. Incentivize behavioral changes to improve the health or
16 reduce the risk of death or disability of a policyholder,
17 potential policyholder, certificate holder, potential cer-
18 tificate holder, insured, potential insured, or applicant;

19 or

20 9. Assist in the administration of the employee or retiree
21 benefit insurance coverage;

22 (ii) The cost to the insurer or producer offering the product or
23 service to any given customer is reasonable in comparison to that
24 customer's premiums or insurance coverage for the policy class;

25 (iii) The customer is provided with contact information to assist
26 the customer with questions regarding the product or service; and

27 (iv) The availability of the value-added product or service is
28 based on documented objective criteria and offered in a manner
29 that is not unfairly discriminatory. The documented criteria must
30 be maintained by the insurer or producer and produced on request by
31 the department of insurance.

32 (2) If an insurer or producer does not have sufficient evidence but has
33 a good-faith belief that a product or service meets the criteria provided in
34 subsection (1) (g) of this section, the insurer or producer may provide the
35 product or service in a manner that is not unfairly discriminatory as part
36 of a pilot or testing program for no more than one (1) year. An insurer or
37 producer shall notify the department of insurance of such a pilot or testing
38 program offered to consumers in this state prior to launching and may proceed
39 with the program unless the department of insurance objects within twenty-
40 one (21) days of notice.

41 (3) The director of the department of insurance may adopt regulations,
42 subject to legislative approval, when implementing the permitted practices
43 set forth in this section to ensure consumer protection. Such regulations,
44 consistent with applicable law, may address issues including but not limited
45 to consumer data protections and privacy, consumer disclosure, and unfair
46 discrimination.

47 SECTION 2. An emergency existing therefor, which emergency is hereby
48 declared to exist, this act shall be in full force and effect on and after
49 July 1, 2025.