

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 265

BY WAYS AND MEANS COMMITTEE

AN ACT

1 RELATING TO LIFE INSURANCE; AMENDING SECTION 41-1830, IDAHO CODE, TO PROVIDE  
2 THAT CERTAIN POLICY OWNERS MAY REQUEST NOTICE OF LAPSE OR TERMINATION BY  
3 CERTIFIED MAIL, TO REVISE A PROVISION REGARDING APPLICABILITY, AND TO  
4 MAKE A TECHNICAL CORRECTION; AND DECLARING AN EMERGENCY AND PROVIDING  
5 AN EFFECTIVE DATE.  
6

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

8 SECTION 1. That Section 41-1830, Idaho Code, be, and the same is hereby  
9 amended to read as follows:

10 41-1830. NOTICE OF LAPSE OR TERMINATION OF INDIVIDUAL LIFE INSUR-  
11 ANCE. (1) Notwithstanding the provisions of section 41-1927, Idaho Code, an  
12 individual life insurance policy shall not be issued or delivered in this  
13 state until the applicant has been afforded the option of designating one (1)  
14 person, in addition to the applicant, to receive notice of lapse or termina-  
15 tion of a policy for nonpayment of premium.

16 (2) A designation made pursuant to subsection (1) of this section shall  
17 be on a form provided by the insurer. The applicant shall, on such form, pro-  
18 vide the full name, address and telephone number of the person designated to  
19 receive notice of lapse or termination of the policy for nonpayment of pre-  
20 mium.

21 (3) The insurer shall annually notify a policy owner of the right to:

22 (a) Make a designation pursuant to subsection (1) of this section;

23 (b) Change the designee; and

24 (c) Update the contact information of the designee.

25 (4) The policy owner may, at the policy owner's discretion, change the  
26 designee or change the contact information of the designee more often than  
27 annually, and the insurer shall make available the form for such changes at  
28 the policy owner's request.

29 (5) No individual life insurance policy shall lapse or be terminated  
30 for nonpayment of premium unless the insurer, at least fourteen (14) days  
31 prior to the effective date of the lapse or termination, sends notice by  
32 ~~first-class~~ first class United States mail to the policy owner and to the  
33 policy owner's designee, if a designation has been made pursuant to this  
34 section, of the lapse or termination, at the address or addresses provided by  
35 the policy owner for purposes of receiving such notice.

36 (6) In addition to the notice required pursuant to subsection (5) of  
37 this section, the policy owner of an individual life insurance policy issued  
38 with a face amount in excess of fifty thousand dollars (\$50,000) may request  
39 that a lapse or termination notice be sent by United States postal service  
40 certified mail, return receipt requested. The request must be made to the  
41 insurer in writing at least ninety (90) days prior to a lapse or termination,  
42 and the insurer shall acknowledge the request in writing to the policy owner,

1 which will serve as verification that the request was received. The certi-  
2 fied mail lapse or termination notice shall be sent at the insurer's expense  
3 at least ten (10) days prior to the effective date of the lapse or termination  
4 to the policy owner and to the policy owner's designee, if a designation has  
5 been made pursuant to this section, at the address or addresses provided by  
6 the policy owner for purposes of receiving such notice. If the notice by cer-  
7 tified mail is undeliverable or refused, the insurer shall have no further  
8 obligation under this subsection.

9 ~~(6)~~ (7) The provisions of this section shall apply to any individual  
10 life insurance policy issued or in force on or after January 1, ~~2018~~ 2026.  
11 Provided however, that the provisions of this section do not apply to any  
12 life insurance policy under which premiums are payable monthly or more fre-  
13 quently.

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