

Dear Senators ANDREASON, Coiner & Werk, and
Representatives BLACK, Henderson & E. Smith (30):

The Legislative Services Office, Research and Legislation, has received the enclosed
rules of the Department of Insurance:

**IDAPA 18.01.39 Rebates and Illegal Inducements in Title Insurance
Business (Docket No. 18-0139-0801) Repeal**
**IDAPA 18.01.39 Rebates and Illegal Inducements in Title Insurance
Business (Docket No. 18-0139-0802)**
IDAPA 18.01.43 Certification of Fire Inspectors (Docket No. 18-0143-0801)
IDAPA 18.01.44 Fee Rule (Docket No. 18-0144-0801)
**IDAPA 18.01.61 Credit Life and Disability Insurance
(Docket No. 18-0161-0801)**
**IDAPA 18.01.73 Individual Health Insurance Availability Act Plan Design
(Docket No. 18-0173-0801)**

Pursuant to Section 67-454, Idaho Code, a meeting on the enclosed rules may be called by
the cochairmen or by two (2) or more members of the subcommittee giving oral or written notice
to Research and Legislation no later than fourteen (14) days after receipt of the rules' analysis
from Legislative Services. The final date to call a meeting on the enclosed rules is no later than
10-13-08. If a meeting is called, the subcommittee must hold the meeting within forty-two (42)
days of receipt of the rules' analysis from Legislative Services. The final date to hold a meeting
on the enclosed rules is 11-10-08.

_____The germane joint subcommittee may request a statement of economic impact with
respect to a proposed rule by notifying Research and Legislation. There is no time limit on
requesting this statement, and it may be requested whether or not a meeting on the proposed rule
is called or after a meeting has been held.

To notify Research and Legislation, call 334-2475, or send a written request to the
address or FAX number indicated on the memorandum enclosed.

MEMORANDUM

DATE: September 24, 2008

TO: Subcommittees for Administrative Rules Review of the Senate Commerce and Human Resources Committee and the House Business Committee

FROM: Eric Milstead, Principal Research Analyst

SUBJECT: Idaho Department of Insurance

1. The Idaho Department of Insurance has submitted notice of proposed rulemaking at IDAPA 18.01.39 -- Rebates and Illegal Inducements in Title Insurance Business (Docket No. 18-0139-0801--Chapter Repeal). This docket repeals the rules found at IDAPA 18.01.39. The repealed rules are replaced in the next Docket discussed in this memorandum. The Department states that the current rules are being repealed due to a determination in a hearing conducted before the Director that the rules went beyond the scope of statute.

The proposed action appears to be within the authority granted to the Department under Sections 41-211 and 41-1314, Idaho Code.

2. The Idaho Department of Insurance has submitted notice of proposed rulemaking at IDAPA 18.01.39 -- Rebates and Illegal Inducements in Title Insurance Business (Docket No. 18-0139-0802). The proposed rule is a re-write of the existing rule. The Department states that such a re-write is necessary to conform with Idaho law. The proposed rule pertains to illegal rebates and inducements relating primarily to title insurance. The rules seek to ensure that consumers have access to a competitive market through requiring producers of title to disclose financial interest in a title entity to which they refer title insurance consumers. The Department states that negotiated rulemaking was not conducted because the rule was written in consultation with title industry representatives.

The proposed rule appears to be within the authority granted to the Department under Sections 41-211 and 41-1314, Idaho Code.

3. The Idaho Department of Insurance has submitted notice of proposed rulemaking at IDAPA 18.01.43 -- Certification of Fire Inspectors (Docket No. 18-0143-0801). The Department states that the proposed rule reflects and accommodates changes stemming from the passage of 2008 House Bill 620. The proposed rule revises the scope of the rule, establishes new provisions governing certification periods, revises provisions relating to examinations and deletes obsolete

provisions. The Department notes that it did not conduct negotiated rulemaking because the rule is necessary to comply with 2008 legislation.

The proposed rule appears to be within the authority granted to the Department under Sections 41-254(4) and 41-255(6), Idaho Code.

4. The Idaho Department of Insurance has submitted notice of proposed rulemaking at IDAPA 18.01.44 -- Schedule of Fees, Licenses and Miscellaneous Charges – Fee Rule (Docket No. 18-0144-0801). The proposed rule imposes a filing fee for policy rates and forms submitted in paper form. The proposed rule will impose a new fee of \$20 for each policy rate or form filed in excess of ten forms per year. The fee will not apply to electronic filings. The Department states that in response to its Notice of Intent to Promulgate this rule (published August 6, 2008), it received only one inquiry and no comments or request for meetings. Consequently, the Department did not conduct negotiated rulemaking.

The proposed rule appears to be within the authority granted to the Department under Sections 41-211 and 41-401, Idaho Code.

5. The Idaho Department of Insurance has submitted notice of proposed rulemaking at IDAPA 18.01.61 -- Credit Life and Credit Disability Insurance (Docket No. 18-0161-0801). This is essentially a housekeeping Docket. The Department states the proposed rule brings the rule into conformance with a model law governing the licensing of insurance agents which was adopted in 2003. Contact information is updated and certain obsolete provisions are eliminated.

The proposed rule appears to be within the authority granted to the Department under Sections 41-211 and 41-2314, Idaho Code.

6. The Idaho Department of Insurance has submitted notice of proposed rulemaking at IDAPA 18.01.73 -- Rule to Implement the Individual Health Insurance Availability Act Plan Design (Docket No. 18-0173-0801). The proposed rule revises provisions relating to the Idaho Individual High Risk Reinsurance Pool. Among other changes, the proposed rule increases the lifetime maximum benefit for organ transplants and also revises provisions relating to cosmetic surgery. Other changes in the proposed rule are housekeeping in nature to provide consistency and to conform to Office of Administrative Rule guidelines.

The proposed rule appears to be within the authority granted to the Department under Section 41-211, Idaho Code.

cc: William W. Deal, Director, Idaho Department of Insurance
Shad Priest
Jim Genetti
Mark Larson
Dale Freeman

IDAPA 18 - DEPARTMENT OF INSURANCE

18.01.39 - REBATES AND ILLEGAL INDUCEMENTS IN TITLE INSURANCE BUSINESS

DOCKET NO. 18-0139-0801 (CHAPTER REPEAL)

NOTICE OF RULEMAKING - PROPOSED RULE

AUTHORITY: In compliance with Section 67-5221(1), Idaho Code, notice is hereby given that this agency has initiated proposed rulemaking procedures. The action is authorized pursuant to Section(s) 41-211 and 41-1314 and 41-2708 Idaho Code.

PUBLIC HEARING SCHEDULE: Public hearing(s) concerning this rulemaking will be scheduled if requested in writing by twenty-five (25) persons, a political subdivision, or an agency, not later than October 15, 2008.

The hearing site(s) will be accessible to persons with disabilities. Requests for accommodation must be made not later than five (5) days prior to the hearing, to the agency address below.

DESCRIPTIVE SUMMARY: The following is a nontechnical explanation of the substance and purpose of the proposed rulemaking:

It was determined in a hearing conducted before the Director of the Idaho Department of Insurance that Rule 18.01.39 as currently written goes beyond the scope of Idaho insurance statutes by prohibiting producers of title insurance from having a financial interest in a title entity. The current rule is being completely rewritten so as to conform with Idaho law. The purpose of this Rule is to supplement the provisions of Chapter 13 and Chapter 27, Title 41, Idaho Code, which pertain to illegal rebates and inducements in the insurance business, particularly in the title insurance business, to ensure that the consumers of title industry products and services have access to a viable and competitive marketplace by requiring that producers of title provide disclosure of a financial interest in a title entity to which they refer title insurance consumers.

FEE SUMMARY: The following is a specific description of the fee or charge imposed or increased: N/A

FISCAL IMPACT: The following is a specific description, if applicable, of any negative fiscal impact on the state general fund greater than ten thousand dollars (\$10,000) during the fiscal year resulting from this rulemaking: N/A

NEGOTIATED RULEMAKING: Pursuant to Section 67-5220(1), Idaho Code, negotiated rulemaking was not conducted because the writing of this rule was accomplished in consultation with title industry representatives.

ASSISTANCE ON TECHNICAL QUESTIONS, SUBMISSION OF WRITTEN COMMENTS: For assistance on technical questions concerning the proposed rule, contact Dale Freeman (208) 334-4250.

Anyone may submit written comments regarding this proposed rulemaking. All written comments must be directed to the undersigned and must be delivered on or before October 22, 2008.

DATED this 19th day of August, 2008.

William W. Deal, Director
Idaho Department of Insurance
700 West State Street, 3rd Floor
Boise, Idaho 83720-0043
Phone: (208) 334-4250
Fax: (208) 334-4398

IDAPA 18.01.39 IS BEING REPEALED IN ITS ENTIRETY

IDAPA 18 - DEPARTMENT OF INSURANCE

18.01.39 - REBATES AND ILLEGAL INDUCEMENTS IN TITLE INSURANCE BUSINESS

DOCKET NO. 18-0139-0802 (CHAPTER REWRITE)

NOTICE OF RULEMAKING - PROPOSED RULE

AUTHORITY: In compliance with Section 67-5221(1), Idaho Code, notice is hereby given that this agency has initiated proposed rulemaking procedures. The action is authorized pursuant to Section(s) 41-211 and 41-1314 and 41-2708 Idaho Code.

PUBLIC HEARING SCHEDULE: Public hearing(s) concerning this rulemaking will be scheduled if requested in writing by twenty-five (25) persons, a political subdivision, or an agency, not later than October 15, 2008.

The hearing site(s) will be accessible to persons with disabilities. Requests for accommodation must be made not later than five (5) days prior to the hearing, to the agency address below.

DESCRIPTIVE SUMMARY: The following is a nontechnical explanation of the substance and purpose of the proposed rulemaking:

It was determined in a hearing conducted before the Director of the Idaho Department of Insurance that Rule 18.01.39 as currently written goes beyond the scope of Idaho insurance statutes by prohibiting producers of title insurance from having a financial interest in a title entity. The current rule is being completely rewritten so as to conform with Idaho law. The purpose of this Rule is to supplement the provisions of Chapter 13 and Chapter 27, Title 41, Idaho Code, which pertain to illegal rebates and inducements in the insurance business, particularly in the title insurance business, to ensure that the consumers of title industry products and services have access to a viable and competitive marketplace by requiring that producers of title provide disclosure of a financial interest in a title entity to which they refer title insurance consumers.

FEE SUMMARY: The following is a specific description of the fee or charge imposed or increased: N/A

FISCAL IMPACT: The following is a specific description, if applicable, of any negative fiscal impact on the state general fund greater than ten thousand dollars (\$10,000) during the fiscal year resulting from this rulemaking: N/A

NEGOTIATED RULEMAKING: Pursuant to Section 67-5220(1), Idaho Code, negotiated rulemaking was not conducted because the writing of this rule was accomplished in consultation with title industry representatives.

ASSISTANCE ON TECHNICAL QUESTIONS, SUBMISSION OF WRITTEN COMMENTS: For assistance on technical questions concerning the proposed rule, contact Dale Freeman (208) 334-4250.

Anyone may submit written comments regarding this proposed rulemaking. All written comments must be directed to the undersigned and must be delivered on or before October 22, 2008.

DATED this 19th day of August, 2008.

William W. Deal, Director
Idaho Department of Insurance
700 West State Street, 3rd Floor
Boise, Idaho 83720-0043
Phone: (208) 334-4250
Fax: (208) 334-4398

THE FOLLOWING IS THE TEXT OF DOCKET NO. 18-0139-0802

IDAPA 18
TITLE 01
CHAPTER 39

18.01.39 - REBATES AND ILLEGAL INDUCEMENTS IN TITLE INSURANCE BUSINESS

000. LEGAL AUTHORITY.

This Rule is promulgated pursuant to the general rule making authority in Idaho Code, Sections 41-211, to aid in the effectuation of Idaho Code, Sections 41-1314 and 41-2708. ()

001. TITLE AND SCOPE.

01. Title. The Title of this chapter is IDAPA 18.01.39, "Rebates and Illegal Inducements in Title Insurance Business." ()

02. Application of Rule. The provisions of this Rule shall apply to all title insurers and title insurance agents. This Rule does not limit the Director's authority to determine that other title insurance practices constitute violations of Idaho Code Sections 41-1314 and 41-2708. ()

03. Purpose. The purpose of this Rule is to supplement the provisions of Chapter 13 and Chapter 27, Title 41, Idaho Code, which pertain to illegal rebates and inducements in the insurance business, and particularly in the title business; to ensure that the consumers of title industry products and services have access to a viable and competitive marketplace. ()

002. WRITTEN INTERPRETATIONS.

In accordance with Section 67-5201(19)(b)(1v), Idaho Code, this agency may have written statements which pertain to the interpretation of the rules of the chapter, or to the documentation of compliance with the rules of this chapter. These documents will be available for public inspection and copying at cost in the main office and each regional or district office of this agency.

003. ADMINISTRATIVE APPEALS.

There is no appeal to the Attorney General from application of this Rule. All such appeals must be instituted by written demand for a hearing before the Director of Insurance, Section 41-232, Idaho Code. Further appeal from the Director's decision can be taken to district court, pursuant to Sections 67-5270, Idaho Code. ()

004. INCORPORATION BY REFERENCE.

No documents have been incorporated by reference into these rules. ()

005. OFFICE -- OFFICE HOURS -- MAILING ADDRESS, STREET ADDRESS AND WEB ADDRESS.

01. Office Hours. The Department of Insurance is open from 8 a.m. to 5 p.m. except Saturday, Sunday and legal holidays. ()

02. Mailing Address. The department's mailing address is: Idaho Department of Insurance, P.O. Box 83720, Boise, ID 83720-0043. ()

03. Street Address. The principal place of business is 700 West State Street, 3rd Floor, Boise, ID 83720-0043. ()

04. Web Site Address. The department's web address is <http://www.doi.idaho.gov>. ()

006. PUBLIC RECORDS ACT COMPLIANCE.

Any records associated with these rules are subject to the provisions of the Idaho Public Records Act, Title 9, Chapter 3, Idaho Code. ()

007. -- 009. (RESERVED).

010. DEFINITIONS.

All terms defined in Chapters 1, 13, and 27, Title 41 Idaho Code, which are used in this rule shall have the same meaning as used in those chapters. ()

01. Applicant. Applicant is a party to a real estate transaction who may be the buyer, seller and/or a proposed or named insured on a title commitment, policy, guaranty or other title insurance product. ()

02. Financial Interest. Financial Interest means any interest that entitles the holder in any manner to Two and one-half percent (2.5%) or more of the profits or net worth of the title entity in which the interest is held. ()

03. Producer of Title Business. Producer of title business includes any person engaged in this state in the trade, business, occupation or profession of: ()

a. Buying or selling interest in real property; or ()

b. Making loans by interest in real property; and ()

c. Shall include but not be limited to real estate agents, real estate brokers, mortgage brokers, lending or financial institutions, builders, attorneys, developers, subdividers, auctioneers engaged in the sale of real property, consumers, and the employees, agents, representatives, or solicitors of any of the foregoing; and ()

d. Shall include any legal entity whose ownership is, directly or indirectly, comprised fifty-one percent (51%) or more by entities or individuals described in Paragraph 010.03.c. of this rule. ()

04. Thing(s) of Value. Thing(s) of value means anything that has a monetary value and includes, but is not limited to, tangible objects, services, use of facilities, monetary advances, extension of lines of credit, creation of compensating balances, uncollected cancellation fees for issuance of title commitments, and all other forms of consideration. ()

04. Title Entity. Title entity includes both title insurance agents and title insurers along with their employees, agents, or representatives. ()

011. DISCLOSURE BY PRODUCER OF TITLE BUSINESS.

No title entity may accept any order for; issue a title commitment, guarantee, title insurance policy for; or provide services, including but not limited to escrow closing and foreclosure services, to; an applicant if it knows or has reason to believe that the applicant was referred by a producer of title business, where the producer of title business has a financial interest in the title entity to which the business is referred unless the producer of title business has disclosed to the applicant the financial interest of the producer of title business. The disclosure must be made in writing and contain the items required in Section 012 of this rule. ()

012. DISCLOSURE REQUIREMENTS.

01. Disclosure Required By Section 011. Shall be provided to the applicant at the time the sell and/or purchase contract is entered into. A signed copy of the disclosure shall be maintained by the producer of title business and provided to the title entity prior to or simultaneously with, the placing or the order for a title insurance commitment or guarantee or escrow closing services. The title entity shall maintain a copy of said disclosure for a minimum period of five (5) years. ()

02. Disclosure. Disclosure shall contain a heading, in bold face, all caps, type font 14 or higher that states: "NOTICE OF FINANCIAL INTEREST IN TITLE ENTITY BY PRODUCER OR TITLE BUSINESS." ()

03. Statement. Disclosure shall contain the following statement in type 12 font or higher: "We call this interest to your attention for disclosure purposes. (Provide name of Producer of Title Business) has a financial interest in this title entity (provide title entity name). This financial interest may result in a conflict of interest in our representation of you. Accordingly, you are free to choose any other title entity which is licensed by the Idaho Department of Insurance in the county in which the property is located. A list of title insurers and title agents licensed in the county in which the property is located may be found by contacting the Idaho Department of Insurance." ()

04. Chooses to Have Transaction Served. Disclosure shall contain a statement that the Applicant has read the aforementioned disclosure and chooses to have their transaction served by the Title Entity referred by the Producer of Title Business. ()

05. Signature. Disclosure shall contain the signature of the applicant along with the date the signature was accomplished. ()

06. Other information the Director of the Department of Insurance may require. ()

013. FINANCIAL INTEREST NOTICE.

01. Names and Addresses of All Producers. A title entity shall notify the Director of the Department of Insurance the names and addresses of all producers of title business that have a financial interest in the title entity, including the financial interest held by the producer of title business and the date the financial interest was acquired. ()

02. Financial Interest Notice. The title entity will provide the financial interest notice to the Director of the Department of Insurance prior to the granting of a title agent license and upon request for renewal of a title agent license. ()

014. UNLAWFUL INDUCEMENT OR REBATE.

01. Title Entity or Any Person Shall Not Except. Except as provided in Subsection 014.02 of this rule, a title entity or any person shall not except as otherwise authorized in Title 41, Idaho Code: ()

a. Give or accept a fee, or other thing of value pursuant to an agreement or understanding, express or implied, that title insurance business or escrow closing services will be referred to a title entity; or ()

b. Give or accept a portion, split or percentage of a charge made or received for title insurance business in connection with a transaction involving real property in this state. ()

02. A Presumption of Unlawful Inducement or Rebate. Arises if a producer of title business or any other person receives a thing of value from a title entity without the payment or exchange to the title entity of consideration with a similar fair market value. A title entity may pay a return on an investment, based on a percentage of a financial interest in that title entity if all the requirements of this rule are met. ()

015. SEVERABILITY.

If any provision of this Rule is for any reason held to be invalid, the remainder of the Rule shall not be affected thereby. ()

016. -- 999. (RESERVED).

IDAPA 18 - DEPARTMENT OF INSURANCE

18.01.44 - SCHEDULE OF FEES, LICENSES AND MISCELLANEOUS CHARGES

DOCKET NO. 18-0144-0801 (FEE RULE)

NOTICE OF RULEMAKING - PROPOSED RULE

AUTHORITY: In compliance with Section 67-5221(1), Idaho Code, notice is hereby given that this agency has initiated proposed rulemaking procedures. The action is authorized pursuant to Sections 41-211 and 41-401, Idaho Code.

PUBLIC HEARING SCHEDULE: Public hearing(s) concerning this rulemaking will be scheduled if requested in writing by twenty-five (25) persons, a political subdivision, or an agency, not later than October 15, 2008.

The hearing site(s) will be accessible to persons with disabilities. Requests for accommodation must be made not later than five (5) days prior to the hearing, to the agency address below.

DESCRIPTIVE SUMMARY: The following is a nontechnical explanation of the substance and purpose of the proposed rulemaking:

The proposed rulemaking amends IDAPA 18.01.44, "Schedule of Fees, Licenses and Miscellaneous Charges," to impose a filing fee for policy rates and forms submitted for filing in paper form. Insurers filing ten or fewer policy rates and forms per year will not be charged a fee; however, a fee of \$20 will be charged for each paper rate or form filed in excess of ten. The fee will not apply to any filings made electronically through the national System for Electronic Rates and Forms Filing (SERFF). The use of electronic filing provides conveniences to the insurer and eliminates the need for Department staff to convert paper forms to electronic format.

FEE SUMMARY: The rule imposes a fee of twenty dollars (\$20) per rate or form filed with the Department of Insurance in excess of ten (10) forms per year unless the rate or form is filed using the national System for Electronic Rates and Forms Filing. Section 41-401, Idaho Code, authorizes the Director of the Department of Insurance to adopt fees in accordance with the Administrative Procedures Act.

FISCAL IMPACT: This rule will not have a negative fiscal impact to the general fund.

NEGOTIATED RULEMAKING: Pursuant to 67-5220(1), Idaho Code, a Notice of Intent to Promulgate Rules – Negotiated Rulemaking was published in the August 6, 2008 Administrative Bulletin, Volume 08-8, page 97. The Department received only one general inquiry regarding the rulemaking, and no comments or requests for meetings on the rulemaking were received in response to the notice. Therefore, no negotiated rulemaking meetings were conducted.

ASSISTANCE ON TECHNICAL QUESTIONS, SUBMISSION OF WRITTEN COMMENTS: For assistance on technical questions concerning the proposed rule, contact: Shad Priest at 208/334-4214.

Anyone may submit written comments regarding this proposed rulemaking. All written comments must be directed to the undersigned and must be delivered on or before October 22, 2008.

Dated this 21st day of August, 2008.

William W. Deal
Director
Idaho Department of Insurance
700 W. State St. Fl. 3
PO Box 83720
Boise, Idaho 83720-0043

THE FOLLOWING IS THE TEXT OF DOCKET NO. 18-0144-0801

020. INSURER FEES.

01. Annual Continuation Fee. All insurers and other entities (set forth in Section 020) licensed, listed, or otherwise approved to do business in the state of Idaho shall pay an annual continuation fee. (7-1-00)

a. The annual continuation fee shall be due on March 1st each year and shall provide for payment of the insurer's fees due through the last day of February next proceeding. (7-1-00)

b. The annual continuation fee shall be charged at the time the insurer applies for admission to do business in the state of Idaho. If the application is approved, the fee paid shall cover the insurer's fees through the last day of February next proceeding. (7-1-00)

02. Fee for Insurers. For all insurance companies receiving a certificate of authority pursuant to Chapter 3, Title 41, Idaho Code, the amount of the annual continuation fee shall be as follows: (7-1-00)

a. If insurer's surplus as regards policyholders at the preceding December 31 is less than ten million dollars (\$10,000,000) - One thousand dollars (\$1,000). (7-1-00)

b. If insurer's surplus as regards policyholders at the preceding December 31 is ten million (\$10,000,000) or more, but less than one hundred million (\$100,000,000) - Two thousand five hundred dollars (\$2,500). (7-1-00)

c. If insurer's surplus as regards policyholders at the preceding December 31 is on hundred million (\$100,000,000) or greater - Four thousand five hundred dollars (\$4,500). (7-1-00)

03. Fees of Other Entities. For the following entities, the amount of the annual continuation fee shall be: (7-1-01)

a. Five hundred dollars (\$500): (7-1-01)

i. Accredited reinsurers, listed pursuant to Section 41-514(1)(b), Idaho Code. (7-1-00)

ii. Trusteed reinsurers, listed pursuant to Section 41-514(1)(d), Idaho Code. (7-1-00)

iii. Authorized surplus line insurers. (7-1-00)

iv. County mutual insurers. (7-1-00)

v. Fraternal benefit societies. (7-1-00)

vi. Hospital and/or professional service corporations. (7-1-00)

vii. Hospital liability trusts. (7-1-00)

viii. Self funded employee health care plans. (7-1-00)

ix. Domestic Risk retention groups. (7-1-01)

x. Petroleum clean water trusts. (7-1-00)

xi. Rating organizations. (7-1-00)

xii. Advisory organizations. (7-1-00)

- b. One hundred dollars (\$100): (7-1-01)
- i. Purchasing groups. (7-1-00)
- 04. What Payment of Fee Shall Cover.** Payment of the annual continuation fee shall be deemed to be payment of all fees that would ordinarily be paid to the Department by the insurer or entity during the relevant year, including, but not limited to, the following: (7-1-00)
 - a. Certificate of authority renewal, license renewal, and annual registration. (7-1-00)
 - b. Arson, Fire and Fraud. (7-1-00)
 - c. Annual statement filing. (7-1-00)
 - ~~d. Filing of policy rates and forms. (7-1-00)~~
 - ed. Agent appointment and renewal of appointment. (7-1-00)
 - fe. Filings under Chapter 38, Title 41, Idaho Code, Acquisition of control and insurance holding company systems. (7-1-00)
 - gf. Filing of amendments to Articles of Incorporation. (7-1-00)
 - hg. Filing of amendments to Bylaws. (7-1-00)
 - hi. Amendments to Certificate of Authority. (7-1-00)
 - ji. Filing of notice of significant transactions pursuant to Section 41-345, Idaho Code. (7-1-00)
 - kj. Quarterly statement filing. (7-1-00)
 - kl. Examination expenses, except for those set forth in Subsection 020.05.g. (7-1-01)
- 05. Fees Not Included.** Payment of the annual continuation fee will not exempt the insurer or entity from the following: (7-1-00)
 - a. Fees for application for producer license. (7-1-00)
 - b. Costs incurred by the Department for investigation of an applicant for producer license. (7-1-00)
 - c. Attorney's fees and costs incurred by the Department when allowed pursuant to Idaho Code. (7-1-00)
 - d. Costs incurred for experts and consultants when allowed by Idaho Code. (7-1-00)
 - e. Penalties or fines levied by or payable to the Department of Insurance. (7-1-00)
 - f. All fees set forth under Section 040. (7-1-00)
- 06. Failure to Pay Fee.** Failure to pay the annual continuation fee on or before March 1st each year shall be treated as failure to pay the continuation fee and will result in expiration of the insurer's or entity's authority to do business in the state of Idaho pursuant to Section 41-324, Idaho Code. (7-1-00)
- 07. Reinstatement Fee.** The reinstatement fee referenced in Section 41-324(3), Idaho Code, shall be the amount referenced above for the insurer or entity continuation fee. (7-1-00)

(BREAK IN CONTINUITY OF SECTIONS)

040. MISCELLANEOUS FEES.

Miscellaneous fees shall be as follows. (7-1-00)

01. Certified Copy. Certified copy of certificate of authority, license or registration - Fifty dollars (7-1-00)
(\$50).

02. Solicitation Permit. Organization and financing of insurer: (7-1-00)

a. Filing application for solicitation permit -- Nine hundred dollars (\$900). (7-1-00)

b. Issuance of solicitation permit -- One hundred eighty dollars (\$180). (7-1-00)

03. Certificate Under Seal. Director's certificate under seal (except for those under Subsection 040.01 of this rule) - Twenty dollars (\$20). (7-1-00)

04. Documents Filed. For each copy of document filed in his office, a reasonable cost as fixed by the director. For rate and form filings not submitted electronically through the national System for Electronic Rate and Form Filing (SERFF) -- Twenty dollars (\$20) for each rate or form filed in excess of ten (10) per calendar year.
(~~7-1-00~~)()

05. Life Insurance Valuation. For valuing life insurance, actual cost of valuation but not to exceed one cent (\$.01) for each one thousand dollars (\$1,000) of insurance. (7-1-00)

06. Insurer Service of Process. For receiving and forwarding copy of summons or other process served upon the director as process agent of an insurer -- Thirty dollars (\$30). (7-1-00)

07. Agent Service of Process. For receiving and forwarding copy of summons or other process served upon the director as process agent of a nonresident agent, broker or consultant -- Thirty dollars (\$30). (7-1-00)

08. Continuing Education. Filing continuing education applications for approval and certification of subjects of courses (each application) -- Twenty-five dollars (\$25). (7-1-00)

09. Small Employer Health Program. Administrative expenses incurred in implementing and approving Idaho small employer health reinsurance program and plan of operation: (7-1-00)

a. Initial deposit for program setup, approval and processing - One thousand dollars (\$1,000). (7-1-00)

b. Any additional reasonable expenses incurred in establishing and maintaining the program. (7-1-00)

c. Annual filings of Board, pursuant to Section 41-4711(12), Idaho Code - Three hundred dollars (7-1-00)
(\$300).

IDAPA 18 - DEPARTMENT OF INSURANCE
18.01.61 - CREDIT LIFE AND CREDIT DISABILITY INSURANCE
DOCKET NO. 18-0161-0801
NOTICE OF RULEMAKING - PROPOSED RULE

AUTHORITY: In compliance with Section 67-5221(1), Idaho Code, notice is hereby given that this agency has initiated proposed rulemaking procedures. The action is authorized pursuant to Sections 41-211 and 41-2314, Idaho Code.

PUBLIC HEARING SCHEDULE: Public hearing(s) concerning this rulemaking will be scheduled if requested in writing by twenty-five (25) persons, a political subdivision, or an agency, not later than October 15, 2008.

The hearing site(s) will be accessible to persons with disabilities. Requests for accommodation must be made not later than five (5) days prior to the hearing, to the agency address below.

DESCRIPTIVE SUMMARY: The following is a nontechnical explanation of the substance and purpose of the proposed rulemaking:

In 2003, Idaho adopted a model law governing licensing of insurance agents, now known as "producers." The rule amended by this proposed rulemaking was never changed to conform to the model law. The proposed rule will correct obsolete code references and terminology, and remove inconsistencies with the current law. Changes are also made to conform the rule to Office of Administrative Rules standards.

FEE SUMMARY: The following is a specific description of the fee or charge imposed or increased: N/A

FISCAL IMPACT: This amendment will not have any fiscal impact on the state general fund.

NEGOTIATED RULEMAKING: Pursuant to 67-5220(1), Idaho Code, negotiated rulemaking was not conducted because the rulemaking is simply correcting code references and wording to make the rule consistent with statutory changes adopted in 2003.

ASSISTANCE ON TECHNICAL QUESTIONS, SUBMISSION OF WRITTEN COMMENTS: For assistance on technical questions concerning the proposed rule, contact: Jim Genetti, 208-334-4340.

Anyone may submit written comments regarding this proposed rulemaking. All written comments must be directed to the undersigned and must be delivered on or before October 1, 2008.

Dated this 21st day of August, 2008.

William W. Deal
Director
Idaho Department of Insurance
700 W. State St. Fl. 3
PO Box 83720
Boise, Idaho 83720-0043

THE FOLLOWING IS THE TEXT OF DOCKET NO. 18-0161-0801

~~002.—003.~~ ~~(RESERVED)~~ WRITTEN INTERPRETATIONS.

In accordance with Section 67-5201(19)(b)(iv), Idaho Code, this agency may have written statements that pertain to the interpretation of the rules of the chapter, or to the documentation of compliance with the rules of this chapter. These documents will be available for public inspection and copying at cost in the main office and each regional or district office of this agency. ()

003. ADMINISTRATIVE APPEALS.

All administrative appeals shall be governed by Chapter 2, Title 41, Idaho Code, the Idaho Administrative Procedure Act, Chapter 52, Title 67, Idaho Code, and IDAPA 04.11.01, Idaho Rules of Administrative Procedure of the Attorney General – General Provisions. ()

004. INCORPORATION BY REFERENCE.

No documents are incorporated by reference. ()

005. OFFICE -- OFFICE HOURS -- MAILING ADDRESS, STREET ADDRESS AND WEB SITE.

01. Office Hours. The Department of Insurance is open from 8 a.m. to 5 p.m. except Saturday, Sunday and legal holidays. ()

02. Mailing Address. The department's mailing address is: Idaho Department of Insurance, P.O. Box 83720, Boise, ID 83720-0043. ()

03. Street Address. The principal place of business is 700 West State Street, 3rd Floor, Boise, Idaho 83720-0043. ()

04. Web Site Address. The department's web address is <http://www.doi.idaho.gov>. ()

006. PUBLIC RECORDS ACT COMPLIANCE.

Any records associated with these rules are subject to the provisions of the Idaho Public Records Act, Chapter 3, Title 9, Idaho Code. ()

007. -- 009. (RESERVED).

00410. DEFINITIONS.

01. Closed-End Credit. "Closed-end credit" means a credit transaction that is not open-end credit. (7-1-93)

02. Compensation. "Compensation" means money or anything else of value. (7-1-93)

03. Credit Disability Insurance. "Credit disability insurance" means insurance on a debtor to provide indemnity for payments becoming due on a specific loan or other credit transaction while the debtor is disabled as defined in the policy. (7-1-93)

04. Credit Insurance. "Credit insurance" means both credit life insurance and credit disability insurance. (7-1-93)

05. Credit Life Insurance. "Credit life insurance" means insurance on the life of a debtor pursuant to or in connection with a specific loan or other credit transaction. (7-1-93)

06. Credit Transaction. "Credit transaction" means any transaction by the terms of which the repayment of money loaned or loan commitment made, or payment for goods, services or properties sold or leased, is to be made at a future date or dates. (7-1-93)

07. Creditor. "Creditor" means the lender of money or vendor of goods, services or property, rights or privileges, including a lessor under a lease intended as security for which payment is arranged through a credit transaction, or any successor to the right, title or interest of any such lender or vendor, and an affiliate, associate or subsidiary of any of them or any director, officer or employee of any of them or any other person in any way

associated with any of them. (7-1-93)

08. Debtor. “Debtor” means a borrower of money or a purchaser or lessee of goods, services, property, rights or privileges for which payment is arranged through a credit transaction. (7-1-93)

09. Identifiable Charge. “Identifiable charge” is the amount the debtor is charged for insurance which is disclosed in the credit or other instrument furnished the debtor which sets out the financial elements of the credit transactions, and including any differential in finance, interest, service or other similar charge made to debtors who are in like circumstances, except for their insured or noninsured status. (7-1-93)

10. Indebtedness. “Indebtedness” means the total amount payable by a debtor to a creditor in connection with a loan or other credit transaction. (7-1-93)

11. Net Written Premium. “Net written premium” means gross written premium minus refunds on terminations. (7-1-93)

12. Open-End Credit. “Open-end credit” means an arrangement as defined in Section 28-41-301(25), Idaho Code, including revolving charge accounts, pursuant to which: (7-1-93)

a. A creditor may permit a debtor, from time to time, to purchase on credit from the creditor or pursuant to a credit card, or to obtain loans from the creditor or pursuant to a credit card; (7-1-93)

b. The amounts financed and the finance and other appropriate charges are debited to an account; (7-1-93)

c. The finance charge, if made, is computed on the account periodically; and (7-1-93)

d. Either the debtor has the privilege of paying in full or in installments or the creditor periodically imposes charges computed on the account for delaying payment and permits the debtor to continue to purchase on credit. (7-1-93)

13. Preexisting Condition. “Preexisting condition” means a health condition, including sickness or injury, for which there has been medical advice, diagnosis or treatment within six (6) months preceding the effective date of the debtor’s coverage and which exists prior to the effective date of the coverage. (7-1-93)

~~005.—010. (RESERVED)~~

(BREAK IN CONTINUITY OF SECTIONS)

021. PROHIBITED TRANSACTIONS.

The following practices, when engaged in by insurers in connection with the sale or placement of credit insurance, or as an inducement thereto, shall constitute unfair methods of competition and shall be subject to the Unfair Trade Practices Act of this State as outlined in Chapter 13, Title 41, Idaho Code. (7-1-93)

01. Special Advantages or Services. The offer or grant by an insurer to a creditor of any special advantage or any service not set out in either the group insurance contract or in the agency contract, other than the payment of ~~agent’s~~ producer commissions. (7-1-93)()

02. Deposit by Insurer of Money or Securities Required of Creditor. Agreement by an insurer to deposit with a bank or financial institution money or securities of the insurer with the design or intent that the same shall affect or take the place of a deposit of money or securities which otherwise would be required of the creditor by such bank or financial institution as a compensating balance or offsetting deposit for a loan or other advancement. (7-1-93)

03. Deposit by an Insurer Without Interest or at a Lessor Rate of Interest. Deposit by an insurer of money or securities without interest or at a lesser rate of interest than is currently being paid by the creditor, bank or financial institution to other depositors of like amounts and terms. This paragraph shall not be construed to prohibit the maintenance by an insurer of such demand deposits or premium deposit accounts as are reasonably necessary for use in the ordinary course of the insurer's business. (7-1-93)

022. ~~AGENT'S PRODUCER'S LICENSE REQUIRED.~~

01. Life and Disability Insurance License or Limited License. To solicit credit life and credit disability insurance as provided in Chapter 23, Title 41, Idaho Code, and in this rule chapter, ~~an Agent producer~~ must: (7-1-93)(____)

a. Be licensed to sell life and disability insurance in compliance with Chapter 10, Title 41, Idaho Code; or (7-1-93)

b. Be issued a "Limited License" as ~~provided for~~ defined in Section ~~41-1045(1)(d)~~ 41-1003(4), Idaho Code, covering only credit life and credit disability insurance, and no individual so licensed shall during the same period hold a license as ~~agent or solicitor~~ a producer as to any other or additional ~~kinds~~ major line of insurance. (7-1-93)(____)

02. Individual, Firm or Corporation. Sections ~~41-1030, 41-1036 and 41-1045(1)(d)~~ 41-1004, 41-1005, 41-1007, Idaho Code, provide that a limited ~~agent's producer's limited~~ license for credit life and credit disability insurance shall be issued to individuals, firms or corporations qualifying for such license. Any individual who ~~sells, solicits or negotiates with~~ debtors to purchase individual credit life or credit disability insurance, or who explains such coverage, must be licensed as an insurance ~~agent producer~~. Any firm or corporation offering such individual coverage must ~~engage at least one individual who has an individual agent's license for such coverage, unless the enterprise itself holds a firm or corporate agent's license for credit life and credit disability and has personnel qualified to transact insurance under such license~~ comply with the provisions of Section 41-1007(2) by having a designated licensed producer, who is an individual responsible for the business entity's compliance with the insurance laws and rules of this state. (7-1-93)(____)

03. Administration of Group Policy. Under Section ~~41-1032~~ 41-1005(2)(b), Idaho Code, the issuance of group certificates of credit life insurance and credit disability insurance and the performance of other ministerial duties in connection with group insurance policy administration does not require the person doing such acts to be licensed as an ~~agent producer~~ provided that no commission is paid for such services. A group policyholder may be reimbursed its expense of administering a group policy without being licensed as an ~~agent producer~~, and such reimbursement will not be considered a commission provided it is reasonably computed to equate to the actual administrative expenses. It will be presumed that an amount of reimbursement not exceeding ten percent (10%) of the net written prima facie premium for the group policy is reasonably computed to equate to the administrative expenses of the group policyholder. Amounts exceeding ten percent (10%) of the net written prima facie premium will be presumed to exceed actual administrative expenses unless prior approval to pay such greater amount is secured pursuant to the insurer demonstrating to the director's satisfaction that such higher amount does not exceed the policyholder's actual administrative expenses. For purposes of this subsection, "prima facie premium" means premiums at the rates set forth in Section 014 without adjustment pursuant to Section 018. (7-1-93)(____)

04. Dividends and Other Compensation Permitted by Law. Subsections 022.01, 022.02, and 022.03 do not apply to compensation that is otherwise permitted by law, such as the payment of dividends on participating policies. (7-1-93)

(BREAK IN CONTINUITY OF SECTIONS)

026. ~~EFFECTIVE DATE.~~

~~01. **Forms and Rates.** This rule chapter shall become effective January 1, 1992. No credit insurance~~

~~form or credit insurance rate approved or filed before the date of this rule chapter shall be used in this state after January 1, 1992, unless it is in compliance with this rule chapter. All existing group credit insurance contracts on forms required to be filed with the director shall be amended to conform to the requirements of this rule chapter or be terminated not later than the anniversary date of issue of the contract next following the effective date of this rule chapter. The effective date for prima facie rates shall be January 1, 1993.~~ (7-1-93)

~~02. **Deviations.** Any deviations thought to be appropriate by an insurer as a result of promulgation of this rule chapter shall be filed in accordance with the provisions of Section 019.~~ (7-1-93)

~~03. **Existing Group Policies, Certificates, Notices and Premium Rates.** Certificates, notices of proposed insurance and premium rates in connection with existing group policies shall conform to the requirements of this rule chapter not later than the anniversary date of the group policy next following the effective date of this rule chapter.~~ (7-1-93)

~~04. **Issuance, Renewal or Replacement of Group Credit Life or Disability Insurance.** Existing group credit life and group credit disability contracts that are renewed, reissued or replaced, other than on their normal anniversary date of issue, and all group credit life and group credit disability contracts newly issued to replace or supplement a creditor's existing insurance program shall conform to the requirements of this rule chapter on and after January 1, 1992. No replacement or amendment of group policies to postpone the effect of this rule chapter will be recognized for the purpose of this section.~~ (7-1-93)

0276. -- 999. (RESERVED).

IDAPA 18 - DEPARTMENT OF INSURANCE
18.01.73 - RULE TO IMPLEMENT THE INDIVIDUAL HEALTH
INSURANCE AVAILABILITY ACT PLAN DESIGN

DOCKET NO. 18-0173-0801

NOTICE OF RULEMAKING - PROPOSED RULE

AUTHORITY: In compliance with Section 67-5221(1), Idaho Code, notice is hereby given that this agency has initiated proposed rulemaking procedures. The action is authorized pursuant to Section 41-211, Idaho Code and Title 41, Chapter 55, Idaho Code.

PUBLIC HEARING SCHEDULE: Public hearing(s) concerning this rulemaking will be scheduled if requested in writing by twenty-five (25) persons, a political subdivision, or an agency, not later than October 15, 2008.

The hearing site(s) will be accessible to persons with disabilities. Requests for accommodation must be made not later than five (5) days prior to the hearing, to the agency address below.

DESCRIPTIVE SUMMARY: The following is a nontechnical explanation of the substance and purpose of the proposed rulemaking:

The proposed rule amends IDAPA 18.01.73, which sets forth the required benefits for health insurance products reinsured through the Idaho Individual High Risk Reinsurance Pool established pursuant to Chapter 55, Title 41, Idaho Code. The proposed changes include an increase in the lifetime maximum benefit for organ transplants from \$150,000 to \$250,000, a change to a section dealing with cosmetic surgery to make it consistent with the minimum requirements for individual health benefit plans established by IDAPA 18.01.30, some wording changes for consistency and clarity, and changes to conform the rule to Office of Administrative Rules guidelines.

FEE SUMMARY: The following is a descriptive summary of the fee or charge being imposed or increased: The rule does not impose or increase a fee.

FISCAL IMPACT: The following is a specific description, if applicable, of any negative fiscal impact on the state general fund greater than ten thousand dollars (\$10,000) during the fiscal year resulting from this rulemaking: No fiscal impact.

NEGOTIATED RULEMAKING: Pursuant to 67-5220(1), Idaho Code, negotiated rulemaking was not conducted because the primary change being made, an increase in the lifetime maximum benefit for organ transplants, was approved and requested by the board overseeing the state's High Risk Pool Program. This board is made up of members of the affected industry. The remaining changes include a change to make the rule consistent with requirements of another existing administrative rule and immaterial changes for consistency and clarity.

ASSISTANCE ON TECHNICAL QUESTIONS, SUBMISSION OF WRITTEN COMMENTS: For assistance on technical questions concerning the proposed rule, contact Shad Priest, 208-334-4214.

Anyone may submit written comments regarding the proposed rulemaking. All written comments must be directed to the undersigned and must be delivered on or before October 22, 2008.

DATED this 21st day of August, 2008.

William W. Deal, Director
Idaho Department of Insurance
700 West State Street, 3rd Floor
Boise, Idaho 83720-0043
Phone: (208) 334-4250
Fax: (208) 334-4398

THE FOLLOWING IS THE TEXT OF DOCKET NO. 18-0173-0801

003. ADMINISTRATIVE APPEALS.

All ~~contested cases shall be governed by the provisions of~~ administrative appeals shall be governed by Title 41, Chapter 2, Idaho Code, the Idaho Administrative Procedure Act, Title 67, Chapter 52, Idaho Code, and IDAPA 04.11.01, "Idaho Rules of Administrative Procedure of the Attorney General," Sections 000 through 099.

(3-15-02)()

004. INCORPORATION BY REFERENCE.

No documents are incorporated by reference.

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005. OFFICE -- OFFICE HOURS -- MAILING ADDRESS, STREET ADDRESS AND WEBSITE.

01. Office Hours. The Department of Insurance is open from 8 a.m. to 5 p.m. except Saturday, Sunday and legal holidays.

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02. Mailing Address. The department's mailing address is: Idaho Department of Insurance, P.O. Box 83720, Boise, ID 83720-0043.

()

03. Street Address. The principal place of business is 700 West State Street, 3rd Floor, Boise, Idaho 83702-0043.

()

04. Web Site Address. The department's web address is <http://www.doi.idaho.gov>.

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006. PUBLIC RECORDS ACT COMPLIANCE.

Any records associated with these rules are subject to the provision of the Idaho Public Records Act, Title 9, Chapter 3, Idaho Code.

()

007. -- 009. (RESERVED).

00410. DEFINITIONS.

For the purposes of this rule, the following terms will be used as defined below:

(6-30-95)

01. Benefit Percentage. Benefit percentage is the percentage of the cost of a health care service paid by the insurer under a health insurance plan, as defined shown in the schedule of benefits.

(6-30-95)()

02. Calendar Year. Calendar year is a period of one (1) year which starts on January 1st and ends on December 31st.

(6-30-95)

03. Coinsurance. Coinsurance is a percentage of the cost of a health care service, paid by the insured under a health insurance plan, as defined shown in the schedule of benefits.

(3-15-02)()

04. Copayment. Copayment is a specified charge that must be paid each time care is received of a particular type or in a designated setting. The instances in which a copayment will be required are specified in the schedule of benefits. The copayments must be paid before any other payment will be made under the policy. The copayment will not count toward any deductible or out-of-pocket expense required under the policy, with the exception of the HSA.

(4-11-06)()

05. Deductible. Deductible means the amount of the covered charge each insured is obligated to pay each calendar year before the plan will pay for covered medical services. All covered charges are subject to the deductible amount unless specifically noted otherwise.

(3-15-02)

06. Out-of-Pocket Expense Maximum. Out-of-pocket expense maximum is the maximum medical expense that an insured is obligated to pay, which includes coinsurance as defined shown in the schedule of benefits. Under the Basic, Standard, and Catastrophic A and B health benefit plans, the out-of-pocket expense maximum does

not include deductibles, copayments, pharmacy expenses, expenses for non-covered services and supplies, and charges in excess of the eligible expense. After the out-of-pocket expense maximum has been reached, covered services will be provided at one hundred percent (100%) except for specific deductibles, copayments, pharmacy benefits, non-covered services and supplies, and charges in excess of the eligible expense. HSA annual out-of-pocket expense maximum, subject to any policy limitations, or ineligible out-of-pocket expenses, includes deductibles, copayments, and coinsurance including pharmacy expenses. After the HSA out-of-pocket expense maximum has been reached, covered services will be provided at one hundred percent (100%) with the exception of services, supplies, and charges in excess of the eligible expense. ~~(4-11-06)~~(_____)

- 07. Pre-Existing Condition.** Pre-existing condition is defined in Section 41-5208(3), Idaho Code. (6-30-95)
- 08. Provider.** Provider means any of the following licensees duly licensed to practice in any of the following categories of health care professions: (3-15-02)
- a.** Licensed general hospital; (3-15-02)
 - b.** Chiropractor; (6-30-95)
 - c.** Dentist; (6-30-95)
 - d.** Optometrist; (6-30-95)
 - e.** Pharmacist; (6-30-95)
 - f.** Physician and surgeon, of either medicine and surgery or of osteopathic medicine and surgery; (6-30-95)
 - g.** Podiatrist; and (6-30-95)
 - h.** Any other licensed facility or practitioner who is acting within the scope of that license and who performs a service which is payable under the policy when performed by any of the above health care providers. (3-15-02)
 - i.** A provider does not include a person who lives with the insured or is part of the insured's family (insured, insured's spouse, or a child, brother, sister, or parent of insured or insured's spouse). (3-15-02)
- 09. Eligible Expense.** Eligible expense means the expense incurred for a covered service or supply. A physician or other licensed facility or provider has to order or prescribe the service or supply. Expense is considered incurred on the date the service or supply is received. Expense does not include any charge: (3-15-02)
- a.** For a service or supply which is not medically necessary; (3-15-02)
 - b.** Which is in excess of reasonable and customary charge for a service or supply; (3-15-02)
 - c.** Which is in excess of any contractual arrangements; (3-15-02)
 - d.** For any services or supplies which an insured would have no legal obligation to pay in the absence of coverage under this policy or any similar coverage; or (3-15-02)
 - e.** For which no charge or a different charge is usually made in the absence of insurance coverage. (3-15-02)
- 10. Medically Necessary Service or Supply.** Medically necessary service or supply means one which is ordered by a provider and which the carrier's medical staff or another qualified party or entity determines is: ~~(3-15-02)~~(_____)

- a. Provided for the diagnosis or direct treatment of an injury or sickness; (6-30-95)
- b. Appropriate and consistent with the symptoms and findings of diagnosis and treatment of the insured's ~~persons~~ injury or sickness; (~~6-30-95~~)(____)
- c. Is not considered experimental or investigative; (6-30-95)
- d. Provided in accord with generally accepted medical practice; (6-30-95)
- e. The most appropriate supply or level of service which can be provided on a cost effective basis (including, but not limited to, in-patient vs. out-patient care, electric vs. manual wheelchair, surgical vs. medical or other types of care); (6-30-95)
- f. The fact that the insured's provider prescribes services or supplies does not automatically mean such service or supply ~~are~~ is medically necessary and covered by the policy. (~~3-15-02~~)(____)

11. Emergency Services. Emergency services means those health care services that are provided in a hospital or other emergency facility after the sudden onset of a medical condition that manifests itself by symptoms of such sufficient severity including, but not limited to, severe pain, that the absence of immediate medical attention could reasonably be expected by a prudent person who possesses an average knowledge of health and medicine, to result in: (3-15-02)

- a. Placing the insured's health in serious jeopardy; (3-15-02)
- b. Serious impairment to bodily functions; or (3-15-02)
- c. Serious dysfunction of any bodily organ or part. (3-15-02)

~~005. -- 009.~~ **(RESERVED).**

011. -- 019. **(RESERVED).**

0420. COORDINATION OF BENEFITS.

Coordination of Benefits shall be utilized on the Individual Basic, Standard, and Catastrophic A, Catastrophic B plans, and HSA Compatible benefit plans based upon IDAPA 18.01.74, "Coordination of Benefits." (4-11-06)

0421. LIMITATIONS AND EXCLUSIONS.

- 01. Not Medically Necessary.** Any service not medically necessary or appropriate unless specifically included within the coverage provisions. (6-30-95)
- 02. Custodial, Convalescent, Intermediate.** Custodial, convalescent or intermediate level care or rest cures. (6-30-95)
- 03. Experimental, Investigational.** Services which are experimental or investigational. (6-30-95)
- 04. Workers Compensation, Medicare or CHAMPUS.** Services covered by Workers' Compensation, Medicare or CHAMPUS. (3-15-02)
- 05. No Charges, No Legal Obligation to Pay.** Services for which no charges are made or for which no charges would be made in the absence of insurance or for which the insured has no legal obligation to pay. (6-30-95)
- 06. No Medical Diagnosis.** Services for weight control, nutrition, and smoking cessation, including self-help and training programs, as well as prescription drugs used in conjunction with such programs and services. (7-1-98)
- 07. Cosmetic Surgery.** Cosmetic surgery and services, except for ~~treatment or surgery for congenital~~

anomalies reconstructive surgery when the service is incidental to or follows surgery resulting from trauma, infection or other disease of the involved part, and reconstructive surgery because of congenital disease or anomaly of a covered dependent child. Mastectomy reconstruction is covered as described in the Women's Health and Cancer Rights Act. (3-15-02)(____)

08. Artificial Insemination and Infertility Treatment. Artificial insemination and infertility treatment. Treatment of sexual dysfunction not related to organic disease. (6-30-95)

09. Reversal of Elective Infertility. Services for reversal of elective, surgically or pharmaceutically induced infertility. (3-15-02)

10. Vision Therapy. Vision therapy, tests, glasses, contact lenses and other vision aids. Radial keratotomy, myopic keratomileusis and any surgery involving corneal tissue to alter or correct myopia, hyperopia or stigmatic error. (6-30-95)

11. Weak, Strained, or Flat Feet. For treatment of weak, strained, or flat feet, including orthopedic shoes, orthotic devices, or other supportive devices, or for cutting, removal, or treatment of corns, calluses, or nails other than corrective surgery, or for metabolic or peripheral vascular disease. (3-15-02)

12. Manipulative Therapy and Related Treatment. Manipulative therapy, including heat treatments and ultrasound, of the musculoskeletal structure and other fractures and dislocations of the extremities will be subject to the rehabilitation therapy limit described in the schedule of benefits. (3-15-02)

13. Dental, Temporomandibular Joint (TMJ) and Orthodontic Services. Dental and orthodontic services, except those needed for treatment of an accidental injury to sound natural teeth incurred while covered by the plan and limited to six (6) months from the date of injury. (3-15-02)

14. Hearing Tests and Hearing Aids. Hearing tests without illness being indicated. Hearing aids and supplies, tinnitus maskers, cochlear implants and exams for the prescription or fitting of hearing aids. (3-15-02)

15. Private Room. Private room accommodation charges in excess of the institution's most common semi-private room charge except when prescribed as medically necessary. (6-30-95)

16. Prior to Effective Date. Care incurred before the effective date of the person's insured's coverage. (6-30-95)(____)

17. Immunizations and Medical Exams and Tests. Immunizations and medical exams and tests of any kind not related to treatment of covered injury or disease, except as specifically stated in the policy. (6-30-95)

18. Injury or Sickness. Injury or sickness caused by war or armed international conflict or incurred as a result of voluntary participation in an assault, felony, insurrection or riot. (3-15-02)

19. Sex Change Operations. Sex change operations and treatment in connection with transsexualism. (6-30-95)

20. Marriage and Family Counseling. Marriage and family counseling except as specifically allowed in the policy. (3-15-02)

21. Acupuncture. Acupuncture, except when used as pain management by a licensed provider. (3-15-02)

22. Private Duty Nursing. Private duty nursing except as specifically allowed in the policy. (6-30-95)

23. Medical Services Received From Employer, Labor Union, Association. Services received from a medical or dental department maintained by or on behalf of an employer, a mutual benefit association, labor union, trust, or similar person or group. (6-30-95)

24. **Termination.** Services incurred after the date of termination of an ~~covered person's~~ insured's coverage. (3-15-02)()
25. **Personal Hygiene and Convenience Items.** Expenses for personal hygiene and convenience items such as air conditioners, humidifiers, and physical fitness equipment. (6-30-95)
26. **Failure to Keep a Scheduled Visit.** Charges for failure to keep a scheduled visit, charges for completion of any form, and charges for medical information. (6-30-95)
27. **Screening Examinations.** Charges for screening examinations except as otherwise provided in the policy. (6-30-95)
28. **Wigs or Hair Loss.** Charges for wigs or cranial prostheses, hair analysis, hair loss and baldness. (6-30-95)
29. **Pre-Existing Conditions.** Pre-existing conditions, except as provided specifically in the policy. (6-30-95)
30. **Obesity.** Medical or surgical procedures primarily for treatment of obesity or for reversal, revision, or complications thereof. (3-15-02)
31. **Maternity.** Not a covered benefit under the HSA Compatible Plan. (4-11-06)
32. **Expenses Exceeding the Carrier's Allowable Amount.** Expenses and/or charges which exceed the carrier's allowable amount for a service or supply. (4-11-06)

0422. BENEFITS.

Based on the provisions of Section 41-5511, Idaho Code, the Guaranteed Issue Schedule of Benefits Attachments for Basic Benefit Plan, Standard Benefit Plan, Catastrophic "A" Benefit Plan, and Catastrophic "B" Benefit Plan have been replaced by the new Idaho Individual High-Risk Plan Designs, as follows:

BASIC BENEFIT PLAN	
Schedule of Benefits	
All Benefit Areas - Lifetime Benefit Maximum per Carrier	\$500,000
Preventive Services - Benefit Area "A" Annual Benefit Maximum Subject to Deductible and Coinsurance Mammography benefits are not limited to the preventive services benefit	\$200
Benefit Areas B, C, D, E, F	
Calendar Year Deductible - Individual	\$500
Benefit Percentage	50%
Coinsurance Percentage	50%
Individual Out-of-Pocket Expense Maximum not including Deductible or Copayments	\$20,000
Normal Maternity Benefit Deductible - Benefit Area "B" Not applicable to involuntary complications of pregnancy	\$5,000
Organ Transplant - Benefit Area "C" Lifetime Maximum Benefit	\$4250,000
Skilled Nursing Facility - Benefit Area "C" Annual Benefit Maximum	45 days

BASIC BENEFIT PLAN	
Rehabilitation Therapy - Benefit Area "C" Annual Inpatient Benefit Maximum	\$25,000
Rehabilitation Therapy - Benefit Area "D" Combined Annual Outpatient Benefit Maximum	\$2,000
Home Health Care Benefits - Benefit Area "D" Annual Benefit Maximum	\$5,000
Hospice Care - Benefit Area "D" Annual Benefit Maximum	\$5,000
Ambulance Service - Benefit Area "E" Annual Benefit Maximum	\$2,000
Durable Medical Equipment - Benefit Area "E" Annual Benefit Maximum	\$10,000
Psychiatric and Substance Abuse Services - Benefit Area "F" Covered benefit as an inpatient or outpatient combined Annual Benefit Maximum	\$5,000
Pharmacy - Benefit Area "G"	
Calendar Year Pharmaceutical Deductible - Individual	\$250
Benefit Percentage	50%
Coinsurance Percentage	50%
Does not apply to Out-of-Pocket Expense limit	

STANDARD BENEFIT PLAN	
Schedule of Benefits	
All Benefit Areas - Lifetime Benefit Maximum per Carrier	\$1,000,000
Preventive Services - Benefit Area "A" Annual Benefit Maximum Subject to Deductible and Coinsurance Mammography benefits are not limited to the preventive services benefit	\$200
Benefit Areas B, C, D, E, F	
Calendar Year Deductible - Individual	\$1,000
Benefit Percentage	70%
Coinsurance Percentage	30%
Individual Out-of-Pocket Expense Maximum not including Deductible or Copayments	\$10,000
Normal Maternity Benefit Deductible - Benefit Area "B" Not applicable to involuntary complications of pregnancy	\$5,000
Organ Transplant - Benefit Area "C" Lifetime Maximum Benefit	\$ 250,000
Skilled Nursing Facility - Benefit Area "C" Annual Benefit Maximum	45 days
Rehabilitation Therapy - Benefit Area "C" Annual Inpatient Benefit Maximum	\$25,000

STANDARD BENEFIT PLAN	
Rehabilitation Therapy - Benefit Area "D" Combined Annual Outpatient Benefit Maximum	\$2,000
Home Health Care Benefits - Benefit Area "D" Annual Benefit Maximum	\$5,000
Hospice Care - Benefit Area "D" Annual Benefit Maximum	\$5,000
Ambulance Service - Benefit Area "E" Annual Benefit Maximum	\$2,000
Durable Medical Equipment - Benefit Area "E" Annual Benefit Maximum	\$10,000
Psychiatric and Substance Abuse Services - Benefit Area "F" Covered benefit as an inpatient or outpatient combined Annual Benefit Maximum	\$5,000
Pharmacy - Benefit Area "G"	
Calendar Year Pharmaceutical Deductible - Individual	\$250
Benefit Percentage	50%
Coinsurance Percentage Does not apply to Out-of-Pocket Expense limit	50%

CATASTROPHIC "A" BENEFIT PLAN	
Schedule of Benefits	
All Benefit Areas - Lifetime Benefit Maximum per Carrier	\$1,000,000
Preventive Services - Benefit Area "A" Annual Benefit Maximum Subject to Deductible and Coinsurance Mammography benefits are not limited to the preventive services benefit	\$200
Benefit Areas B, C, D, E, F	
Calendar Year Deductible - Individual	\$2,000
Benefit Percentage	70%
Coinsurance Percentage	30%
Individual Out-of-Pocket Expense Maximum not including Deductible or Copayments	\$10,000
Normal Maternity Benefit Deductible - Benefit Area "B" Not applicable to involuntary complications of pregnancy	\$5,000
Organ Transplant - Benefit Area "C" Lifetime Maximum Benefit	\$ 250,000
Skilled Nursing Facility - Benefit Area "C" Annual Benefit Maximum	45 days
Rehabilitation Therapy - Benefit Area "C" Annual Inpatient Benefit Maximum	\$25,000
Rehabilitation Therapy - Benefit Area "D" Combined Annual Outpatient Benefit Maximum	\$2,000

CATASTROPHIC "A" BENEFIT PLAN	
Home Health Care Benefits - Benefit Area "D" Annual Benefit Maximum	\$5,000
Hospice Care - Benefit Area "D" Annual Benefit Maximum	\$5,000
Ambulance Service - Benefit Area "E" Annual Benefit Maximum	\$2,000
Durable Medical Equipment - Benefit Area "E" Annual Benefit Maximum	\$10,000
Psychiatric and Substance Abuse Services - Benefit Area "F" Covered benefit as an inpatient or outpatient combined Annual Benefit Maximum	\$5,000
Pharmacy - Benefit Area "G"	
Calendar Year Pharmaceutical Deductible - Individual	\$500
Benefit Percentage	50%
Coinsurance Percentage	50%
Does not apply to Out-of-Pocket Expense limit	

CATASTROPHIC "B" BENEFIT PLAN	
Schedule of Benefits	
All Benefit Areas - Lifetime Benefit Maximum per Carrier	\$1,000,000
Preventive Services - Benefit Area "A" Annual Benefit Maximum Subject to Deductible and Coinsurance Mammography benefits are not limited to the preventive services benefit	\$200
Benefit Areas B, C, D, E, F	
Calendar Year Deductible - Individual	\$5,000
Benefit Percentage	80%
Coinsurance Percentage	20%
Individual Out-of-Pocket Expense Maximum not including Deductible or Copayments	\$10,000
Normal Maternity Benefit Deductible - Benefit Area "B" Not applicable to involuntary complications of pregnancy	\$5,000
Organ Transplant - Benefit Area "C" Lifetime Maximum Benefit	\$ 250,000
Skilled Nursing Facility - Benefit Area "C" Annual Benefit Maximum	45 days
Rehabilitation Therapy - Benefit Area "C" Annual Inpatient Benefit Maximum	\$25,000
Rehabilitation Therapy - Benefit Area "D" Combined Annual Outpatient Benefit Maximum	\$2,000
Home Health Care Benefits - Benefit Area "D" Annual Benefit Maximum	\$5,000

CATASTROPHIC "B" BENEFIT PLAN	
Hospice Care - Benefit Area "D" Annual Benefit Maximum	\$5,000
Ambulance Service - Benefit Area "E" Annual Benefit Maximum	\$2,000
Durable Medical Equipment - Benefit Area "E" Annual Benefit Maximum	\$10,000
Psychiatric and Substance Abuse Services - Benefit Area "F" Covered benefit as an inpatient or outpatient combined Annual Benefit Maximum	\$5,000
Pharmacy - Benefit Area "G"	
Calendar Year Pharmaceutical Deductible - Individual	\$500
Benefit Percentage	50%
Coinsurance Percentage	50%
Does not apply to Out-of-Pocket Expense limit	

HSA – COMPATIBLE BENEFIT PLAN	
Schedule of Benefits	
All Benefit Areas - Lifetime Benefit Maximum per Carrier	\$1,000,000
Preventive Services - Benefit Area "A" Annual Benefit Maximum Subject to Deductible and Coinsurance Mammography benefits are not limited to the preventive services benefit	\$200
Benefit Areas C, D, E, F, G	
Calendar Year Deductible - Individual	\$3,000
Family	\$6,000
Benefit Percentage	60%
Coinsurance Percentage	40%
Individual Out-of-Pocket Expense Maximum including Deductible or copayments, and coinsurance	\$5,000
Family Out-of-Pocket Expense Maximum	\$10,000
Maternity Benefit - Benefit Area "B" Not available under the HSA Compatible Benefit Plan	Not Covered
Organ Transplant - Benefit Area "C" Lifetime Maximum Benefit	\$ 4 250,000
Skilled Nursing Facility - Benefit Area "C" Annual Benefit Maximum	45 days
Rehabilitation Therapy - Benefit Area "C" Annual Inpatient Benefit Maximum	\$25,000

Rehabilitation Therapy - Benefit Area "D" Combined Annual Outpatient Benefit Maximum	\$2,000
Home Health Care Benefits - Benefit Area "D" Annual Benefit Maximum	\$5,000
Hospice Care - Benefit Area "D" Annual Benefit Maximum	\$5,000
Ambulance Service - Benefit Area "E" Annual Benefit Maximum	\$2,000
Durable Medical Equipment - Benefit Area "E" Annual Benefit Maximum	\$10,000
Psychiatric and Substance Abuse Services - Benefit Area "F" Covered benefit as an inpatient or outpatient combined Annual Benefit Maximum	\$5,000
Pharmacy - Benefit Area "G" Calendar Year Pharmaceutical Subject to Deductible and Coinsurance	\$6,000

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