

Dear Senators ANDREASON, Coiner & Malepeai, and
Representatives BLACK, Henderson & Elaine Smith:

The Legislative Services Office, Research and Legislation, has received the enclosed rules of the Dept. of Insurance: IDAPA – 18.01.44 – Schedule of Fees, Licenses and Miscellaneous Charges (Docket No. 18-0144-0901 – Fee Rule).

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 7-6-09. 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 8-3-09.

_____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

TO: Rules Review Subcommittee of the Senate Commerce and Human Resources Committee and the House Business Committee

FROM: Brooke Murdoch, Research Analyst

DATE: June 16, 2009

SUBJECT: Department of Insurance

IDAPA – 18.01.44 – Schedule of Fees, Licenses and Miscellaneous Charges
(Docket No. 18-0144-0901 – Fee Rule)

The Department of Insurance submits notice of temporary and proposed rulemaking at IDAPA 18.01.44 – Schedule of Fees, Licenses and Miscellaneous Charges. The temporary and proposed fee rule is prompted by House Bill 75 which was passed by the 2009 Legislature. House Bill 75, effective July 1, 2009, requires that any person acting as a life settlement provider or a life settlement broker obtain a license from the Department of Insurance as a life insurance producer. The proposed rule sets forth the fees for obtaining licensure. Specifically, life settlement providers are required to pay an original license fee of \$500 and a license renewal fee of \$300 biennially thereafter. Life settlement brokers are required to pay an original license fee of \$300 and a license renewal fee of \$80 biennially thereafter.

The Department states that negotiated rulemaking was not conducted because the change is required to comply with changes in state law.

The temporary and proposed fee rule is within the authority granted to the Department under Sections 41-211, 41-401, 41-1952 and 41-1965, Idaho Code.

cc: Department of Insurance
Shad Priest, Deputy Director

IDAPA 18 - DEPARTMENT OF INSURANCE

18.01.44 - SCHEDULE OF FEES, LICENSES AND MISCELLANEOUS CHARGES

DOCKET NO. 18-0144-0901 (FEE RULE)

NOTICE OF RULEMAKING - TEMPORARY AND PROPOSED RULE

EFFECTIVE DATE: The effective date of the temporary rule is July 1, 2009.

AUTHORITY: In compliance with Sections 67-5221(1) and 67-5226, Idaho Code, notice is hereby given that this agency has adopted a temporary rule, and proposed rulemaking procedures have been initiated. The action is authorized pursuant to Sections 41-211, 41-401, 41-1952 and 41-1965, 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 July 15, 2009.

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 the required finding and concise statement of its supporting reasons for adopting a temporary rule and a nontechnical explanation of the substance and purpose of the proposed rulemaking:

House Bill 75, effective July 1, 2009, requires that persons engaged in the business of life settlements register with the Department of Insurance and pay fees as prescribed by the Director. This rulemaking sets forth required fees for persons registering as life settlement providers and life settlement brokers.

TEMPORARY RULE JUSTIFICATION: Pursuant to Sections 67-5226(1)(a) and (b), Idaho Code, the Governor has found that temporary adoption of the rule is appropriate for the following reasons:

The rule is necessary to protect the public health, safety, or welfare, and to comply with deadlines in amendments to governing law.

FEE SUMMARY: Pursuant to Section 67-5226(2), the Governor has found that the fee or charge being imposed or increased is justified and necessary to avoid immediate danger and the fee is described herein:

Life settlement providers will be required to pay an initial registration fee of \$500, and \$300 biennially thereafter. Life settlement brokers will be required to pay an initial registration fee of \$300, and \$80 biennially thereafter. The fee is authorized by Sections 41-1952 and 41-1965, Idaho Code, effective July 1, 2009.

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 negative fiscal impact to the general fund.

NEGOTIATED RULEMAKING: Pursuant to Section 67-5220(2), negotiated rulemaking was not conducted because the changes made by this rulemaking were needed to conform the existing rule to changes in state law.

ASSISTANCE ON TECHNICAL QUESTIONS, SUBMISSION OF WRITTEN COMMENTS: For assistance on technical questions concerning the temporary and proposed rule, contact Shad Priest at 208-334-4250.

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 July 22, 2009.

DATED this 27th day of May, 2009.

Shad Priest, Deputy 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 TEMPORARY AND PROPOSED TEXT OF DOCKET NO. 18-0144-0901

030. PRODUCER AND MISCELLANEOUS LICENSING FEES.

01. Original License Application. The following fees are due and must be paid with the filing application for original license, which fees include the issuance of a license, if issued: (3-13-02)

- a. Administrators -- three hundred dollars (\$300). (7-1-00)
- b. Producers -- eighty dollars (\$80). (3-13-02)
- c. Designation as a managing general agent -- eighty dollars (\$80). (3-13-02)
- d. Adjusters -- eighty dollars (\$80). (3-13-02)
- e. Reinsurance intermediary -- eighty dollars (\$80). (3-13-02)
- f. Surplus line brokers -- eighty dollars (\$80). (3-13-02)
- g. Life settlement providers -- five hundred dollars (\$500). (7-1-09)T
- h. Life settlement brokers -- three hundred dollars (\$300). (7-1-09)T

02. Examination Fees. The following fees are due and must be paid in order to take examinations for the following licenses: (3-13-02)

- a. Producers and adjusters -- application for examination and each time taken -- sixty dollars (\$60). (3-13-02)

03. Fingerprint Processing. Processing fingerprints (when required) -- sixty dollars (\$60). (7-1-00)

04. License Renewal. The following fees are due and must be paid for each license in order to renew or continue each and every license: (3-13-02)

- a. Adjusters, producers (biennial) -- eighty dollars (\$80), or sixty dollars (\$60) if renewed electronically. (3-16-04)
- b. Redesignation as managing general agent (annual) -- eighty dollars (\$80). (3-13-02)
- c. Administrators (biennial) -- eighty dollars (\$80). (3-19-07)
- i. Renewal form shall be filed on or before December 31. (3-19-07)

- ii. Any renewal form postmarked after December 31 shall include a penalty in an amount equal to the renewal fee. (3-19-07)
- iii. A renewal form postmarked after January 31 must be submitted as a new application with supporting documents and the full application fee. (3-19-07)
- d. Surplus line brokers (biennial) -- eighty dollars (\$80), or sixty dollars (\$60) if renewed electronically. (3-16-04)
- e. Life settlement providers (biennial) -- three hundred dollars (\$300). (7-1-09)T
- f. Life settlement brokers (biennial) -- eighty dollars (\$80). (7-1-09)T