

Dear Senators ANDREASON, McKague, Stennett, and
Representatives BLACK, Henderson, Elaine Smith:

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

IDAPA 18.01.46 - Rules Pertaining To The Recognition of New Mortality Tables for Use in
Determining the Minimum Standard of Valuation for Annuities and Pure Endowment
Contracts (Docket No. 18-0146-1101);

IDAPA 18.01.50 - Rules Pertaining To The Adoption of the International Fire Code (Docket No.
18-0150-1101).

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 10/19/2011. 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 11/17/2011.

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 334-4845, or send a written request to the address or FAX
number indicated on the memorandum enclosed.



Jeff Youtz
Director

Legislative Services Office Idaho State Legislature

Serving Idaho's Citizen Legislature

MEMORANDUM

TO: Rules Review Subcommittee of the Senate Commerce & Human Resources Committee and the House Business Committee
FROM: Legislative Research Analyst - Ryan Bush
DATE: September 29, 2011
SUBJECT: Department of Insurance - Fire Code

IDAPA 18.01.46 - Rules Pertaining To The Recognition of New Mortality Tables for Use in Determining the Minimum Standard of Valuation for Annuities and Pure Endowment Contracts (Docket No. 18-0146-1101)

IDAPA 18.01.50 - Rules Pertaining To The Adoption of the International Fire Code (Docket No. 18-0150-1101)

(1) 18.01.46 - Recognition of New Mortality Tables for Use in Determining the Minimum Standard of Valuation for Annuities and Pure Endowment Contracts (Docket No. 18-0146-1101)

The Department of Insurance submits notice of proposed rulemaking at IDAPA 18.01.46 - Rules Pertaining To The Recognition of New Mortality Tables for Use in Determining the Minimum Standard of Valuation for Annuities and Pure Endowment Contracts. The Department states that the proposed rulemaking is to supplement permitted mortality tables for use in determining the minimum standard of valuation for annuity and pure endowment contracts with the addition of two (2) new tables: the 1994 Group Annuity Reserving Table and the Annuity 2000 Mortality Table. The proposed rulemaking also revises the title and scope of the rule; provides for written interpretations and administrative appeals of the rule; adds office hours, address and website of the Department; subjects records associated with the rule to the Idaho Public Records Law and incorporates by reference the two (2) new tables and two (2) tables already in use.

The Department states that negotiated rulemaking was not conducted because the proposed changes are from a National Association of Insurance Commissioners model regulation and because the Idaho domiciled life and annuity insurance company supports adoption of such changes which are widely accepted within the industry. There is no negative fiscal impact resulting from this rulemaking.

The proposed rule appears to be within the authority granted to the Department in Section 41-211(1), Idaho Code..

(2) 18.01.50 - Adoption of the International Fire Code (Docket No. 18-0150-1101)

The Department of Insurance submits notice of proposed rulemaking at IDAPA 18.01.50 - Rules Pertaining To The Adoption of the International Fire Code. The Department states that the proposed rulemaking is intended to eliminate the opportunity for the adopted fire code to interfere with a governmental entity's ability to

Mike Nugent Manager
Research & Legislation

Cathy Holland-Smith, Manager
Budget & Policy Analysis

Don H. Berg, Manager
Legislative Audits

Glenn Harris, Manager
Information Technology

establish conditions of employment, to restore an exemption for the placement of fire extinguishers for certain types of building uses and to clarify when fire sprinklers are required in a building selling upholstered furniture. We contacted the Department of Administration regarding the text of the proposed rule which reads "Delete the following language:" and "Add the following language to Item 4:". The Department of Administration notified us that such language is incorporating a section of the International Fire Code and was stated in such a way to comply with the governing statute.

The Department states that negotiated rulemaking was not conducted because the proposed changes reflect a consensus formed among the interested parties. There is no negative fiscal impact resulting from this rulemaking.

The proposed rule appears to be within the authority granted to the Department in Section 41-254, Idaho Code.

cc: Department of Insurance - Fire Code
Mark Larson, State Fire Marshal
Thomas A. Donovan
Georgia Siehl

IDAPA 18 - DEPARTMENT OF INSURANCE

18.01.46 - RECOGNITION OF NEW MORTALITY TABLES FOR USE IN DETERMINING THE MINIMUM STANDARD OF VALUATION FOR ANNUITIES AND PURE ENDOWMENT CONTRACTS

DOCKET NO. 18-0146-1101

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 41-612, 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, no later than October 19, 2011.

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 purpose of this rule is to supplement permitted mortality tables for use in determining the minimum standard of valuation for annuity and pure endowment contracts by life and annuity insurance companies operating in Idaho with the addition of two new tables: the 1994 Group Annuity Reserving (1994 GAR) Table and the Annuity 2000 Mortality Table.

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 proposed changes are from a National Association of Insurance Commissioners model regulation, and the Idaho domiciled life and annuity insurance company supports adoption of such changes, which are also believed to be widely accepted within the industry.

INCORPORATION BY REFERENCE: Pursuant to Section 67-5229(2)(a), Idaho Code, the following is a brief synopsis of why the materials cited are being incorporated by reference into this rule:

The four annuity tables allowed by this rule are incorporated by reference. They are not repeated in this rule due to length and complexity. The four tables incorporated by reference consist of the two new tables noted above and two tables that were adopted by the existing version of the rule but that had not been previously formally incorporated by reference.

ASSISTANCE ON TECHNICAL QUESTIONS, SUBMISSION OF WRITTEN COMMENTS: For assistance on technical questions concerning the proposed rule, contact Georgia Siehl, (208) 334-4314, georgia.siehl@doi.idaho.gov.

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 26, 2011.

DATED this 1st Day of September, 2011.

Thomas A. Donovan
Deputy Director
Idaho Department of Insurance
700 W. State Street, 3rd Floor
P.O. Box 83720, Boise ID 83720-0043
Phone (208) 334-4250 / Fax (208) 334-4398

THE FOLLOWING IS THE PROPOSED TEXT FOR DOCKET NO. 18-0146-1101

000. LEGAL AUTHORITY.

The statutory authority for this rule is Title 67, Chapter 52, Idaho Code, and Idaho Code, Sections 41-211 and 41-612.
(7-1-93)()

001. TITLE AND SCOPE.

01. Title. This rule shall be cited as IDAPA 18.01.46. “Recognition of New Annuity Mortality Tables for Use in Determining Reserve Liabilities for Annuities and Pure Endowment Contracts.” ()

02. Scope. The purpose of this rule is to recognize new the following mortality tables, ~~1983 Table ‘a’ and 1983 GAM Table,~~ for use in determining the minimum standard valuation for annuity and pure endowment contracts: the 1983 Table ‘a,’ the 1983 Group Annuity Mortality (1983 GAM) Table, the 1994 Group Annuity Reserving (1994 GAR) Table, and the Annuity 2000 Mortality Table. (7-1-93)()

~~002.—003. (RESERVED)~~

002. WRITTEN INTERPRETATIONS.

In accordance with Section 67-5201(19)(b)(iv), Idaho Code, this agency may have written statements which pertain to the interpretation of this rule, or to the documentation of compliance with this rule. These documents will be available for public inspection and copying in accordance with the Idaho Public Records Law, Title 9, Chapter 3, Idaho Code. ()

003. ADMINISTRATIVE APPEALS.

All administrative appeals shall be governed by Title 41, Chapter 2, Idaho Code, and 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.” ()

004. INCORPORATION BY REFERENCE.

This rule incorporates by reference four (4) separate mortality tables. These mortality tables are: ()

01. 1983 Table A. A table developed by the Society of Actuaries Committee to Recommend a New Mortality Basis for Individual Annuity Valuation and shown on page 708 of Volume 33 of the Transactions of Society of Actuaries 1981 and adopted as a recognized mortality table for annuities in June 1982 by the National Association of Insurance Commissioners. http://www.soa.org/library/research/transactions-of-society-of-actuaries/1981/january/tsa81v3325.pdf, Page 708 ()

02. 1983 GAM (Group Annuity Mortality) Table. A mortality table developed by the Society of Actuaries Committee on Annuities and shown on pages 880-881 of Volume 35 of the Transactions of Society of Actuaries 1983 and adopted as a recognized mortality table for annuities in December 1983 by the National Association of Insurance Commissioners. http://www.soa.org/library/research/transactions-of-society-of-actuaries/1983/january/tsa83v3527.pdf, Pages 880 – 881 ()

03. 1994 Group Annuity Reserving (GAR) Table. A mortality table developed by the Society of Actuaries Group Annuity Valuation Table Task Force and shown on pages 866-867 of Volume 47 of the Transactions of Society of Actuaries 1995. http://www.soa.org/library/research/transactions-of-society-of-actuaries/1990-95/1995/january/tsa95v4722.pdf, Pages 886 - 887 ()

04. Annuity 2000 Mortality Table. The mortality table developed by the Society of Actuaries Committee on Life Insurance Research and shown on page 266 of Volume 47 of the Transactions of Society of Actuaries 1995 – 96 Reports. http://www.soa.org/library/research/transactions-reports-of-mortality-morbidity-and-experience/1990-99/1995/january/TSR9510.pdf, Page 266 ()

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 weekends 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 department's 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 this rule are subject to the provisions of the Idaho Public Records Law, Title 9, Chapter 3, Idaho Code. ()

~~0057.~~ -- ~~0409.~~ (RESERVED)

~~00410.~~ DEFINITIONS.

01. 1983 Table 'a'. As used in this rule "1983 Table 'a'" means that mortality table developed by the Society of Actuaries Committee to Recommend a New Mortality Basis for Individual Annuity Valuation and shown on page 708 of Volume 33 of the Transactions of Society of Actuaries 1981 and adopted as a recognized mortality table for annuities in June 1982 by the National Association of Insurance Commissioners. (~~7-1-93~~)()

02. 1983 GAM Table. As used in this rule "1983 GAM Table" means that mortality table developed by the Society of Actuaries Committee on Annuities and shown on pages 880-881 of Volume 35 of the Transactions of Society of Actuaries 1983 and adopted as a recognized mortality table for annuities in December 1983 by the National Association of Insurance Commissioners. (~~7-1-93~~)()

03. 1994 GAR Table. As used in this rule "1994 GAR Table" means that mortality table developed by the Society of Actuaries Group Annuity Valuation Table Task Force and shown on pages 866-867 of Volume 47 of the Transactions of Society of Actuaries 1995. ()

04. Annuity 2000 Mortality Table. As used in this rule "Annuity 2000 Mortality Table" means that mortality table developed by the Society of Actuaries Committee on Life Insurance Research and shown on page 266 of Volume 47 of the Transactions of Society of Actuaries 1995 – 96 Reports. ()

011. INDIVIDUAL ANNUITY OR PURE ENDOWMENT CONTRACTS.

01. Individual Annuity Mortality Table. Except as provided in Subsections 011.02 and 011.03, of this rule, ~~the~~ 1983 Table 'a' is recognized and approved as an individual annuity mortality table for valuation and, at the option of the company, may be used for purposes of determining the minimum standard of valuation for any individual annuity or pure endowment contract issued on or after July 1, 1982. (~~7-1-93~~)()

02. Minimum Standard for Valuation. Except as provided in Subsection 011.03 of this rule, either ~~the~~ 1983 Table 'a' ~~is to~~ or the Annuity 2000 Mortality Table shall be used for determining the minimum standard of valuation for any individual annuity or pure endowment contract issued on or after January 1, 1987. (~~7-1-93~~)()

03. The Annuity 2000 Mortality Table. Except as provided in Subsection 011.04 of this rule, the Annuity 2000 Mortality Table shall be used for determining the minimum standard of valuation for any individual annuity or pure endowment contract issued on or after the effective date of Subsections 011.03 and 011.04. ()

04. The 1983 Table "a." The 1983 Table "a" without projection is to be used for determining the minimum standards of valuation for an individual annuity or pure endowment contract issued on or after the effective date of Subsections 011.03 and 011.04 of this rule solely when the contract is based on life contingencies and issued to fund periodic benefits arising from: ()

a. Settlements of various forms of claims pertaining to court settlements or out of court settlements from tort actions: ()

b. Settlements involving similar actions such as workers' compensation claims; or ()

c. Settlements of long term disability claims where a temporary or life annuity has been used in lieu of continuing disability payments. ()

012. GROUP ANNUITY OR PURE ENDOWMENT CONTRACTS.

01. Group Annuity Mortality Tables. Except as provided in Subsections 012.02 and 012.03 of this rule, ~~the~~ 1983 GAM Table, ~~and~~ the 1983 Table 'a' and the 1994 GAR Table are recognized and approved as group annuity mortality tables for valuation and, at the option of the company, ~~either~~ any one (1) of these tables may be used for purposes of valuation for any annuity or pure endowment purchased on or after July 1, 1982, under a group annuity or pure endowment contract. (7-1-93)()

02. Minimum Standard for Valuation. Except as provided in Subsection 012.03 of this rule, ~~the~~ 1983 Table 'a' ~~is to~~ or the 1994 GAR Table shall be used for determining the minimum standard of valuation for any individual annuity or pure endowment contract issued on or after January 1, 1987. (7-1-93)()

03. 1994 GAR Table. The 1994 GAR Table shall be used for determining the minimum standard of valuation for any annuity or pure endowment purchased on or after the effective date of Subsection 012.03 under a group annuity or pure endowment contract. ()

013. FORMULA.

In using the 1994 GAR table, the mortality rate for a person age x in year (1994 + n) is calculated as follows:

$$q_x^{1994+n} = q_x^{1994} (1-AA_x)^n$$

Where the q_x^{1994} and AA_x s are specific in the 1994 GAR table. ()

0134. SEVERABILITY.

If any provision of this rule or the application thereof to any person or circumstances is for any reason held to be invalid, the remainder of the rule and the application of such provision to other persons or circumstances shall not be affected thereby. (7-1-93)

0145. -- 999. (RESERVED)

IDAPA 18 - DEPARTMENT OF INSURANCE
18.01.50 - ADOPTION OF THE INTERNATIONAL FIRE CODE
DOCKET NO. 18-0150-1101
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) 41-254, 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 19, 2011.

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 3 changes proposed are intended to:

Change 1. Eliminate the opportunity for the adopted fire code to interfere with a governmental entity's ability to establish conditions of employment.

Change 2. To restore an exemption for the placement of fire extinguishers for certain types of building uses.

Change 3. To clarify when fire sprinklers are required in a building selling upholstered furniture.

FEE SUMMARY: The following is a specific description of any fee or charge imposed or increased:
There are NO FEES associated with this proposed change

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(2), Idaho Code, negotiated rulemaking was not conducted because the proposed changes reflect a consensus formed as the result of interactive discussions on the subject matters among the interested parties. A draft of the proposed changes has been circulated among the interested parties.

INCORPORATION BY REFERENCE: Pursuant to Section 67-5229(2)(a), Idaho Code, the following is a brief synopsis of why the materials cited are being incorporated by reference into this rule: N/A

ASSISTANCE ON TECHNICAL QUESTIONS, SUBMISSION OF WRITTEN COMMENTS: For assistance on technical questions concerning the proposed rule, contact Mark Larson, Idaho State Fire Marshal, Idaho Department of Insurance at 208-334-4370.

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 26, 2011.

DATED this 30th day of August, 2011.

Mark Larson, State Fire Marshal
Department of Insurance
Fire Marshal Division
700 West State Street, Third Floor
Boise, ID 83720
Phone: 208-334-4350
Fax 208-334-4398

THE FOLLOWING IS THE PROPOSED TEXT FOR DOCKET NO. 18-0150-1101

011. DEPARTMENT OF FIRE PREVENTION, SECTION 103.2 -- APPOINTMENTS, INTERNATIONAL FIRE CODE.

Delete the following language: "... and the fire code official shall not be removed from office except for cause and after full opportunity to be heard on specific and relevant charges by and before the appointing authority." ()

012. GENERAL AUTHORITY AND RESPONSIBILITIES, SECTION 104.1, INTERNATIONAL FIRE CODE.

Add the following second paragraph to Section 104.1, General, International Fire Code: (5-3-03)

01. Fire Chief's Authority. The fire chief is authorized to administer and enforce this code. Under the chief's direction, the fire department is authorized to enforce all ordinances of the jurisdiction pertaining to: (5-3-03)

- a. The prevention of fires; (5-3-03)
- b. The suppression or extinguishment of dangerous or hazardous fires; (5-3-03)
- c. The storage, use and handling of hazardous materials; (5-3-03)
- d. The installation and maintenance of automatic, manual and other private fire alarm systems and fire- extinguishing equipment; (5-3-03)
- e. The maintenance and regulation of fire escapes; (5-3-03)
- f. The maintenance of fire protection and the elimination of fire hazards on land and in buildings, and other property, including those under construction; (5-3-03)
- g. The maintenance of means of egress; and (5-3-03)
- h. The investigation of the cause, origin and circumstances of fire and unauthorized releases of hazardous materials, for authority related to control and investigation of emergency scenes, see Section 104.11. (5-3-03)

0123. -- 015. (RESERVED)

(BREAK IN CONTINUITY OF SECTIONS)

027. ~~SECTION 906.1, PORTABLE FIRE EXTINGUISHERS, WHERE REQUIRED~~ AUTOMATIC SPRINKLER SYSTEMS, SECTION 903.2.7 GROUP M, INTERNATIONAL FIRE CODE.

Item 1 Exception: delete the exception. Add the following language to Item 4: "...or mattresses exceeds 5000 square feet (464m2)." (4-6-05)()