

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 283

BY WAYS AND MEANS COMMITTEE

AN ACT

1 RELATING TO INSURANCE AND TRADE PRACTICES AND FRAUD; AMENDING SECTION
2 41-1314, IDAHO CODE, TO REPLACE REFERENCES TO AGENTS, SOLICITORS AND
3 BROKERS WITH REFERENCE TO PRODUCERS AND TO PROVIDE THAT CERTAIN PROVI-
4 SIONS DO NOT PROHIBIT CERTAIN INSURERS FROM PROVIDING TO A POLICYHOLDER
5 OR PROSPECTIVE POLICYHOLDER OF CERTAIN INSURANCE ANY PRIZES, GOODS,
6 WARES, MERCHANDISE, ARTICLES OR PROPERTY OF A CERTAIN AGGREGATE VALUE.
7

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

9 SECTION 1. That Section 41-1314, Idaho Code, be, and the same is hereby
10 amended to read as follows:

11 41-1314. REBATES -- ILLEGAL INDUCEMENTS. (1) Except as otherwise ex-
12 pressly provided by law, no person shall knowingly make, permit to be made,
13 or offer to make any contract of insurance, or of annuity, or agreement as
14 to such contract, other than as plainly expressed in the contract issued
15 thereon, or pay or allow, or give or offer to pay, allow, or give, directly
16 or indirectly, as inducement to such insurance or annuity or in connection
17 therewith, any rebate of premiums payable on the contract, or of any ~~agent's,~~
18 ~~solicitor's, or broker's~~ producer's commission related thereto, or any spe-
19 cial favor or advantage in the dividends or other benefits thereon, or any
20 paid employment or contract for services of any kind, or any valuable consid-
21 eration or inducement whatever not specified in the contract; or directly or
22 indirectly give, or sell, or purchase or offer or agree to give, sell, pur-
23 chase, or allow as inducement to such insurance or annuity or in connection
24 therewith, and whether or not specified or to be specified in the policy or
25 contract, any agreement of any form or nature promising returns and profits,
26 or any stocks, bonds, or other securities, or interest present or contin-
27 gent therein or as measured thereby, of any insurer or other person, or any
28 dividends or profits accrued or to accrue thereon; or offer, promise or give
29 anything of value whatsoever not specified in the contract. Nor shall any
30 insured, annuitant, or policyholder or employee thereof, or prospective in-
31 sured, annuitant or policyholder, or employee thereof, knowingly accept or
32 receive, directly or indirectly, any such prohibited contract, agreement,
33 rebate, advantage, employment, or other inducement.

34 (2) Nothing in this section shall be construed as prohibiting the pay-
35 ment of commissions or other compensation to duly licensed ~~agents, solici-~~
36 ~~tors, or brokers~~ producers, or as prohibiting any insurer from allowing or
37 returning to its participating policyholders, members or subscribers, the
38 usual and ordinary dividends, savings, or unabsorbed premium deposits.

39 (3) Nothing in this section shall be construed as prohibiting a life
40 insurer, disability insurer, property insurer or casualty insurer, or
41 producers who are marketing life insurance, disability insurance, prop-
42 erty insurance or casualty insurance, from providing to a policyholder or

1 prospective policyholder of life, disability, property or casualty insur-
2 ance, any prizes, goods, wares, merchandise, articles or property of an
3 aggregate value of ~~fifty~~ not to exceed two hundred dollars (~~\$5200.00~~) ~~or less~~
4 in a calendar year.

5 (4) Extension of credit for the payment of premium beyond the customary
6 premium payment period without charging and collecting interest at a reason-
7 able rate per annum on the amount of credit so extended and for the duration
8 of such credit is prohibited under this section.