

Moved by Ellsworth

Seconded by Nonini

IN THE HOUSE OF REPRESENTATIVES
HOUSE AMENDMENT TO H.B. NO. 587

AMENDMENT TO THE BILL

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2 On page 1 of the printed bill, delete lines 15 through 40; and delete
3 pages 2 and 3, and insert:

4 "SECTION 1. That Section 41-306, Idaho Code, be, and the same is hereby
5 amended to read as follows:

6 41-306. EXCEPTIONS TO CERTIFICATE OF AUTHORITY REQUIREMENT. A cer-
7 tificate of authority and application therefor pursuant to section 41-319,
8 Idaho Code, shall not be required of an insurer with respect to the follow-
9 ing:

10 (1) Investigation, settlement, or litigation of claims under its poli-
11 cies lawfully written in this state, or liquidation of assets and liabili-
12 ties of the insurer (other than collection of new premiums), all as resulting
13 from its former authorized operations in this state.

14 (2) Transactions thereunder subsequent to issuance of a policy cover-
15 ing only subjects of insurance not resident, located or expressly to be per-
16 formed in this state at time of issuance, and lawfully solicited, written and
17 delivered outside this state.

18 (3) Transactions pursuant to surplus lines coverages lawfully written
19 under chapter 12 ~~of this code,~~ title 41, Idaho Code.

20 (4) Reinsurance, when transacted by an insurer duly authorized by its
21 state of domicile to transact the kind of insurance involved.

22 (5) The continuation and servicing of life insurance or disability in-
23 surance policies or annuity contracts remaining in force as to residents of
24 this state if the insurer has withdrawn from the state and is not transacting
25 new insurance therein.

26 (6) A foreign insurer licensed and authorized to sell individual or
27 group accident and sickness insurance in another state as defined pursuant
28 to section 41-306A, Idaho Code, and the insurer obtains a certificate of
29 authority pursuant to that section.

30 SECTION 2. That Chapter 3, Title 41, Idaho Code, be, and the same is
31 hereby amended by the addition thereto of a NEW SECTION, to be known and des-
32 ignated as Section 41-306A, Idaho Code, and to read as follows:

33 41-306A. INTERSTATE INSURANCE SALES. (1) A foreign insurer subject
34 to the jurisdiction of another state's insurance department or insurance
35 commissioner and licensed and authorized to transact health or disability
36 insurance in its state of domicile may offer and sell an individual or group
37 accident and sickness insurance policy, as defined in section 41-515, Idaho
38 Code, in Idaho as long as that individual or group accident and sickness pol-

1 icy provides the mandatory coverages this title 41, Idaho Code, requires for
2 insurers.

3 (2) The director shall issue a certificate of authority to a foreign in-
4 surer to sell individual or group accident and sickness insurance policies
5 in this state as long as that insurer is licensed in another state to sell in-
6 dividual or group accident and sickness insurance, remains licensed in that
7 state to sell individual or group accident and sickness insurance and com-
8 plies with the provisions of subsection (3) of this section. If an insurer
9 is no longer licensed to sell individual or group accident and sickness in-
10 surance by its domiciled state, it shall be ineligible to do business in this
11 state and its certificate of authority shall terminate immediately unless
12 it obtains an independent certificate of authority in this state pursuant to
13 chapter 3, title 41, Idaho Code, and complies with the provisions of this ti-
14 tle 41, Idaho Code.

15 (3) In order for a foreign insurer to offer and sell individual or group
16 accident and sickness insurance policies to residents of this state, the
17 foreign insurer agrees that any dispute regarding its policies, benefits,
18 contracts or coverages purchased by Idaho residents shall be governed by
19 Idaho law, shall be either litigated in Idaho or have an alternative dispute
20 resolution conducted in Idaho and shall appoint the director as its agent
21 for service of process pursuant to section 41-333, Idaho Code. The foreign
22 insurer submits to the jurisdiction of the department of insurance for all
23 purposes under title 41, Idaho Code, and is subject to all provisions of ti-
24 tle 41, Idaho Code, and rules promulgated thereunder applicable to insurers
25 transacting accident and sickness insurance in Idaho. The foreign insurer
26 must pay all fees and assessments provided by law under title 41, Idaho Code.

27 (4) Insurers selling policies in Idaho pursuant to this section shall
28 comply with the provisions of section 41-402, Idaho Code, and remit the tax
29 as provided in that section. In addition to the premium tax, insurers sell-
30 ing policies in Idaho pursuant to this section shall remit annually one per-
31 cent (1%) of the amount of gross direct premiums written on policies covering
32 persons in this state to the catastrophic health care fund created pursuant
33 to chapter 35, title 31, Idaho Code.

34 (5) The department of insurance shall promulgate, adopt and enforce
35 such rules and such methods of administration as may be necessary or proper
36 to carry out the provisions of this section.

37 SECTION 3. That Chapter 5, Title 41, Idaho Code, be, and the same is
38 hereby amended by the addition thereto of a NEW SECTION, to be known and des-
39 ignated as Section 41-515, Idaho Code, and to read as follows:

40 41-515. INDIVIDUAL OR GROUP ACCIDENT AND SICKNESS INSURANCE DE-
41 FINED. "Individual or group accident and sickness insurance" means any
42 policy insuring against loss resulting from sickness or from bodily injury
43 or death by accident, or both. "Individual or group accident and sick-
44 ness insurance" shall also include comprehensive major medical coverage
45 for medical and surgical benefits and high deductible health plans sold or
46 maintained under the applicable provisions of section 223 of the Internal
47 Revenue Code.

1 SECTION 4. SEVERABILITY. The provisions of this act are hereby declared
2 to be severable and if any provision of this act or the application of such
3 provision to any person or circumstance is declared invalid for any reason,
4 such declaration shall not affect the validity of the remaining portions of
5 this act."

6 CORRECTION TO TITLE

7 On page 1, delete lines 2 through 13, and insert:

8 "RELATING TO AUTHORIZATION FOR OUT-OF-STATE INSURERS; AMENDING SECTION
9 41-306, IDAHO CODE, TO PROVIDE EXCEPTIONS TO CERTIFICATE OF AUTHORITY
10 REQUIREMENTS FOR CERTAIN OUT-OF-STATE INSURERS AND TO MAKE A TECHNICAL
11 CORRECTION; AMENDING CHAPTER 3, TITLE 41, IDAHO CODE, BY THE ADDITION
12 OF A NEW SECTION 41-306A, IDAHO CODE, TO PROVIDE FOR INTERSTATE INSUR-
13 ANCE SALES, TO AUTHORIZE THE DIRECTOR TO DETERMINE IF PLANS SATISFY
14 REQUIREMENTS, TO PROVIDE FOR LANGUAGE TO BE INCLUDED IN PLANS SOLD, TO
15 PROVIDE FOR COMPLIANCE WITH IDAHO CODE ON PREMIUM TAX AND TO AUTHORIZE
16 THE DEPARTMENT TO ADOPT AND PROMULGATE RULES; AMENDING CHAPTER 5, TITLE
17 41, IDAHO CODE, BY THE ADDITION OF A NEW SECTION 41-515, IDAHO CODE, TO
18 DEFINE A TERM; AND PROVIDING SEVERABILITY."