

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 11

BY BUSINESS COMMITTEE

AN ACT

RELATING TO CASUALTY INSURANCE CONTRACTS; AMENDING SECTION 41-2507, IDAHO CODE, TO PROVIDE A GROUND FOR AN INSURER TO REFUSE TO RENEW A CERTAIN POLICY AND TO MAKE TECHNICAL CORRECTIONS.

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

SECTION 1. That Section 41-2507, Idaho Code, be, and the same is hereby amended to read as follows:

41-2507. CANCELLATION OF POLICIES -- GROUNDS. No notice of cancellation of a policy shall be effective and the insurer shall not refuse renewal of a policy, unless based on one (1) or more of the following reasons:

(1) Nonpayment of premium; or

(2) The policy was obtained through a material misrepresentation; or

(3) Any insured violated any of the terms and conditions of the policy;

or

(4) The named insured failed to disclose fully his motor vehicle accidents and moving traffic violations, or his losses covered under any automobile physical damage or comprehensive coverage, for the preceding thirty-six (36) months if called for in the application; or

(5) As to renewal of the policy, if the insured at any time while the policy was in force failed to disclose fully to the insurer, upon request therefor, facts relative to accidents and losses incurred material to underwriting of the risk; or

(6) Any insured made a false or fraudulent claim or knowingly aided or abetted another in the presentation of such a claim; or

(7) The named insured or any other operator who either resides in the same household or customarily operates an automobile insured under such policy:

(a) Has, within the thirty-six (36) months prior to the notice of cancellation or nonrenewal, had his driver's license under suspension or revocation; or

(b) Has a history of and is subject to epilepsy or heart attacks, and such individual cannot produce a certificate from a physician testifying to his unqualified ability to operate a motor vehicle safely; or

(c) Has an accident record, conviction record, either ~~(criminal or traffic)~~, physical, mental, or other condition which is such that his operation of an automobile might endanger the public safety; or

(d) Has, while the policy is in force, engaged in a prearranged competitive speed contest while operating or riding in an automobile insured under the policy; or

(e) Has, within the thirty-six (36) months prior to the notice of cancellation or nonrenewal, been addicted to the use of narcotics or other drugs; or

- 1 (f) Uses alcoholic beverages to excess; or
2 (g) Has been convicted, or forfeited bail, during the thirty-six (36)
3 months immediately preceding the notice of cancellation or nonrenewal;
4 for
5 (i) Any felony; or
6 (ii) Criminal negligence resulting in death, homicide, or assault
7 arising out of the operation of a motor vehicle; or
8 (iii) Operating a motor vehicle while in an intoxicated condition
9 or while under the influence of drugs; or
10 (iv) Leaving the scene of an accident without stopping to report;
11 or
12 (v) Theft or unlawful taking of a motor vehicle; or
13 (vi) Making fraudulent statements in an application for a
14 driver's license; or
15 (h) Has been convicted of, has had a judgment entered against, or for-
16 feited bail for, three (3) or more violations within the thirty-six (36)
17 months immediately preceding the notice of cancellation or nonrenewal,
18 of any law, ordinance, or regulation of any state for which a violation
19 point is assessed by the Idaho transportation department under the pro-
20 visions of section 49-326, Idaho Code, whether or not the violations
21 were repetitions of the same offense or different offenses; or
22 (8) The insured automobile is:
23 (a) So mechanically defective that its operation might endanger public
24 safety; or
25 (b) Used in carrying passengers for hire or compensation, except that
26 the use of an automobile for a ~~ear pool~~ carpool shall not be considered
27 use of an automobile for hire or compensation; or
28 (c) Used in the business of transportation of flammables or explosives;
29 or
30 (d) An authorized emergency vehicle; or
31 (e) Modified or changed in condition during the policy period so as to
32 increase the risk substantially; or
33 (f) Subject to an inspection law and has not been inspected or, if in-
34 spected, has failed to qualify; or
35 (9) As to the renewal of the policy only, the insured automobile is reg-
36 istered in a jurisdiction other than Idaho.