

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 358

BY BUSINESS COMMITTEE

AN ACT

1 RELATING TO RISK-BASED CAPITAL FOR INSURERS; AMENDING SECTION 41-5401,  
2 IDAHO CODE, TO ADD AND REVISE DEFINITIONS AND TO MAKE A TECHNICAL COR-  
3 RECTION; AMENDING SECTION 41-5402, IDAHO CODE, TO PROVIDE FOR OTHER  
4 ENTITIES THAT MUST FILE RBC REPORTS AND TO MAKE TECHNICAL CORRECTIONS;  
5 AMENDING SECTION 41-5403, IDAHO CODE, TO PROVIDE FOR OTHER ENTITIES  
6 SUBJECT TO A COMPANY ACTION LEVEL EVENT, TO REVISE EVENTS, TO PROVIDE  
7 ADDITIONAL DETAIL FOR AN RBC PLAN AND TO MAKE TECHNICAL CORRECTIONS;  
8 AMENDING SECTION 41-5406, IDAHO CODE, TO PROVIDE FOR OTHER ENTITIES  
9 WHO ARE SUBJECT TO ACTION BY THE DIRECTOR FOLLOWING A MANDATORY CON-  
10 TROL LEVEL EVENT AND TO MAKE TECHNICAL CORRECTIONS; AMENDING SECTION  
11 41-5408, IDAHO CODE, TO CLARIFY THE PROTECTIONS AFFORDED CONFIDEN-  
12 TIAL RBC DOCUMENTS AND INFORMATION AND TO MAKE TECHNICAL CORRECTIONS;  
13 AMENDING SECTION 41-5409, IDAHO CODE, TO REVISE EXEMPTIONS; AMENDING  
14 SECTION 41-3239, IDAHO CODE, TO PROVIDE A CODE REFERENCE; AMENDING SEC-  
15 TION 41-3434, IDAHO CODE, TO PROVIDE A CODE REFERENCE; AND PROVIDING AN  
16 EFFECTIVE DATE.  
17

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

19 SECTION 1. That Section 41-5401, Idaho Code, be, and the same is hereby  
20 amended to read as follows:

21 41-5401. DEFINITIONS. As used in this chapter, these terms shall have  
22 the following meanings:

23 (1) "Adjusted RBC report" means an RBC report which has been adjusted by  
24 the director in accordance with section 41-5402 (5), Idaho Code.

25 (2) "Corrective order" means an order issued by the director specifying  
26 corrective actions which the director has determined are required.

27 (3) "Domestic insurer" means any ~~insurance company~~ insurer domiciled  
28 in this state.

29 (4) "Foreign insurer" means any ~~insurance company which is licensed to~~  
30 ~~do business in this state under section 41-322, Idaho Code, but is~~ insurer  
31 not domiciled in this state.

32 (5) "Health organization" means any hospital service corporation or  
33 professional service corporation licensed under chapter 34, title 41, Idaho  
34 Code.

35 (6) "Insurer" means any insurance company authorized to transact in-  
36 urance business in this state and includes a fraternal benefit society and a  
37 health organization unless the context otherwise requires.

38 (7) "Life and/or health insurer" means any ~~insurance company~~  
39 insurer licensed under chapter 3, title 41, Idaho Code, to transact life,  
40 disability, accident and/or health insurance and includes any managed care  
41 organization within the scope of section 41-3921(1), Idaho Code, or a li-  
42 censed property and casualty insurer writing only disability or accident and

1 health insurance, but shall not include fraternal benefit societies, health  
 2 service organizations, dental service organizations, health maintenance  
 3 organizations, dental plan organizations or mutual benefit associations.

4 (68) "NAIC" means the national association of insurance commissioners.

5 (79) "Negative trend" means, with respect to a life and/or health in-  
 6 surer or a fraternal benefit society, a negative trend over a period of time,  
 7 as determined in accordance with the "Trend Test Calculation" included in  
 8 the life or fraternal RBC instructions.

9 (810) "Property and casualty insurer" means any ~~insurance company~~  
 10 insurer licensed under chapter 3, title 41, Idaho Code, to transact property  
 11 and casualty insurance, but shall not include monoline mortgage guaranty  
 12 insurers, financial guaranty insurers, title insurers, farm and county mu-  
 13 tuals, ~~health service organizations, dental service organizations, health~~  
 14 ~~maintenance organizations, dental plan organizations or~~ and domestic re-  
 15 ciprocal insurers with fewer than seven (7) subscribers which insure only  
 16 worker's compensation risk in this state and which only issue fully assess-  
 17 able policies.

18 (911) "RBC" means risk-based capital.

19 (102) "RBC instructions" means the RBC report, including risk-based  
 20 capital instructions adopted by the NAIC, as such RBC instructions may be  
 21 amended by the NAIC from time to time in accordance with the procedures  
 22 adopted by the NAIC.

23 (113) "RBC level" means an insurer's company action level RBC, regula-  
 24 tory action level RBC, authorized control level RBC, or mandatory control  
 25 level RBC where:

26 (a) "Authorized control level RBC" means the number determined under  
 27 the risk-based capital formula in accordance with the RBC instructions;

28 (b) "Company action level RBC" means, with respect to any insurer, the  
 29 product of 2.0 and its authorized control level RBC;

30 (c) "Mandatory control level RBC" means the product of .70 and the au-  
 31 thORIZED control level RBC;

32 (d) "Regulatory action level RBC" means the product of 1.5 and its au-  
 33 thORIZED control level RBC.

34 (124) "RBC plan" means a comprehensive financial plan containing the  
 35 elements specified in section 41-5403(2), Idaho Code. If the director re-  
 36 jects the RBC plan, and it is revised by the insurer, with or without the  
 37 director's recommendation, the plan shall be called the "revised RBC plan."

38 (135) "RBC report" means the report required in section 41-5402, Idaho  
 39 Code.

40 (146) "Total adjusted capital" means the sum of:

41 (a) An insurer's statutory capital and surplus as determined in accor-  
 42 dance with the statutory accounting applicable to the annual financial  
 43 statements required to be filed under section 41-335, 41-3225 or  
 44 41-3425, Idaho Code; and

45 (b) Such other items, if any, as the RBC instructions may provide.

46 SECTION 2. That Section 41-5402, Idaho Code, be, and the same is hereby  
 47 amended to read as follows:

48 41-5402. RBC REPORTS. (1) Every domestic insurer shall, on or prior to  
 49 each March 1 (the "filing date"), prepare and submit to the director a report

1 of its RBC levels as of the end of the calendar year just ended, in a form and  
 2 containing such information as is required by the RBC instructions. In addi-  
 3 tion, every domestic insurer shall file its RBC report:

4 (a) With the NAIC in accordance with the RBC instructions; and

5 (b) With the insurance director in any state in which the insurer is au-  
 6 thorized to do business, if the insurance director has notified the in-  
 7 surer of its request in writing, in which case the insurer shall file its  
 8 RBC report not later than the later of:

9 (i) Fifteen (15) days from the receipt of notice to file its RBC  
 10 report with that state; or

11 (ii) The filing date.

12 (2) A life and health insurer's or fraternal benefit society's RBC  
 13 shall be determined in accordance with the formula set forth in the RBC  
 14 instructions. The formula shall take into account, and may adjust for the  
 15 covariance between, the following factors determined in each case by apply-  
 16 ing the factors in the manner set forth in the RBC instructions-:

17 (a) The risk with respect to the insurer's assets;

18 (b) The risk of adverse insurance experience with respect to the in-  
 19 surer's liabilities and obligations;

20 (c) The interest rate risk with respect to the insurer's business; and

21 (d) All other business risks and such other relevant risks as are set  
 22 forth in the RBC instructions.

23 (3) A property and casualty insurer's or health organization's RBC  
 24 shall be determined in accordance with the formula set forth in the RBC  
 25 instructions. The formula shall take the following into account, and may  
 26 adjust for the covariance between, determined in each case by applying the  
 27 factors in the manner set forth in the RBC instructions-:

28 (a) Asset risk;

29 (b) Credit risk;

30 (c) Underwriting risk; and

31 (d) All other business risks and such other relevant risks as are set  
 32 forth in the RBC instructions.

33 (4) An excess of capital over the amount produced by the risk-based cap-  
 34 ital requirements contained in this chapter and the formulas, schedules and  
 35 instructions referenced in this chapter is desirable in the business of in-  
 36 surance. Accordingly, insurers should seek to maintain capital above the  
 37 RBC levels required by this chapter. Additional capital is used and use-  
 38 ful in the insurance business and helps to secure an insurer against various  
 39 risks inherent in, or affecting, the business of insurance and not accounted  
 40 for or only partially measured by the risk-based capital requirements con-  
 41 tained in this chapter.

42 (5) If a domestic insurer files an RBC report which in the judgment of  
 43 the director is inaccurate, then the director shall adjust the RBC report to  
 44 correct the inaccuracy and shall notify the insurer of the adjustment. The  
 45 notice shall contain a statement of the reason for the adjustment. An RBC  
 46 report as so adjusted is referred to as an "adjusted RBC report."

47 SECTION 3. That Section 41-5403, Idaho Code, be, and the same is hereby  
 48 amended to read as follows:

1 41-5403. COMPANY ACTION LEVEL EVENT. (1) "Company action level event"  
2 means any of the following events:

3 (a) The filing of an RBC report by an insurer which indicates that:

4 (i) The insurer's total adjusted capital is greater than or equal  
5 to its regulatory action level RBC but less than its company action  
6 level RBC; or

7 (ii) If a life and/or health insurer that completes the life an-  
8 annual statement for the reporting year or fraternal benefit soci-  
9 ety, the insurer has total adjusted capital which is greater than  
10 or equal to its company action level RBC but less than the product  
11 of its authorized control level RBC and 2.53.0 and has a negative  
12 trend; or

13 (iii) If a property or casualty insurer, health organization or  
14 health insurer that completes the health annual statement for the  
15 reporting year, the insurer has total adjusted capital which is  
16 greater than or equal to its company action level RBC but less than  
17 the product of its authorized control level RBC and 3.0 and trig-  
18 gers the trend test determined in accordance with the trend test  
19 calculation included in the property and casualty or health RBC  
20 instructions;

21 (b) The notification by the director to the insurer of an adjusted RBC  
22 report that indicates an event in paragraph (a) of this subsection, pro-  
23 vided the insurer does not challenge the adjusted RBC report under sec-  
24 tion 41-5407, Idaho Code; or

25 (c) If, pursuant to section 41-5407, Idaho Code, an insurer challenges  
26 an adjusted RBC report that indicates the event in paragraph (a) of this  
27 subsection, the notification by the director to the insurer that the di-  
28 rector has, after a hearing, rejected the insurer's challenge.

29 (2) In the event of a company action level event, the insurer shall pre-  
30 pare and submit to the director an RBC plan which shall:

31 (a) Identify the conditions which contribute to the company action  
32 level event;

33 (b) Contain proposals of corrective actions which the insurer intends  
34 to take and would be expected to result in the elimination of the company  
35 action level event;

36 (c) Provide projections of the insurer's financial results in the  
37 current year and at least the four (4) succeeding years, and for man-  
38 aged care organizations and health organizations for at least the two  
39 (2) succeeding years, both in the absence of proposed corrective ac-  
40 tions and giving effect to the proposed corrective actions, including  
41 projections of statutory operating income, net income, capital and sur-  
42 plus. (The projections for both new and renewal business might include  
43 separate projections for each major line of business and separately  
44 identify each significant income, expense and benefit component);

45 (d) Identify the key assumptions impacting the insurer's projections  
46 and the sensitivity of the projections to the assumptions; and

47 (e) Identify the quality of, and problems associated with, the in-  
48 surer's business, including but not limited to, its assets, anticipated  
49 business growth and associated surplus strain, extraordinary exposure  
50 to risk, mix of business and use of reinsurance, if any, in each case.

1 (3) The RBC plan shall be submitted:

2 (a) Within forty-five (45) days of the company action level event; or

3 (b) If the insurer challenges an adjusted RBC report pursuant to sec-  
4 tion 41-5407, Idaho Code, within forty-five (45) days after notifica-  
5 tion to the insurer that the director has, after a hearing, rejected the  
6 insurer's challenge.

7 (4) Within sixty (60) days after the submission by an insurer of an RBC  
8 plan to the director, the director shall notify the insurer whether the RBC  
9 plan shall be implemented or is, in the judgment of the director, unsatis-  
10 factory. If the director determines the RBC plan is unsatisfactory, the no-  
11 tification to the insurer shall set forth the reasons for the determination,  
12 and may set forth proposed revisions which will render the RBC plan satisfac-  
13 tory, in the judgment of the director. Upon notification from the director,  
14 the insurer shall prepare a revised RBC plan, which may incorporate by refer-  
15 ence any revisions proposed by the director, and shall submit the revised RBC  
16 plan to the director:

17 (a) Within forty-five (45) days after the notification from the direc-  
18 tor; or

19 (b) If the insurer challenges the notification from the director under  
20 section 41-5407, Idaho Code, within forty-five (45) days after a noti-  
21 fication to the insurer that the director has, after a hearing, rejected  
22 the insurer's challenge.

23 (5) In the event of a notification by the director to an insurer that the  
24 insurer's RBC plan or revised RBC plan is unsatisfactory, the director may,  
25 at the director's discretion, subject to the insurer's right to a hearing un-  
26 der section 41-5407, Idaho Code, specify in the notification that the noti-  
27 fication constitutes a regulatory action level event.

28 (6) Every domestic insurer that files an RBC plan or revised RBC plan  
29 with the director shall file a copy of the RBC plan or revised RBC plan with  
30 the insurance director in any state in which the insurer is authorized to do  
31 business if:

32 (a) Such state has an RBC provision substantially similar to section  
33 41-5408(1), Idaho Code; and

34 (b) The insurance director of that state has notified the insurer of its  
35 request for the filing in writing, in which case the insurer shall file  
36 a copy of the RBC plan or revised RBC plan in that state no later than the  
37 later of:

38 (i) Fifteen (15) days after the receipt of notice to file a copy of  
39 its RBC plan or revised RBC plan with the state; or

40 (ii) The date on which the RBC plan or revised RBC plan is filed un-  
41 der subsections (3) and (4) of this section.

42 SECTION 4. That Section 41-5406, Idaho Code, be, and the same is hereby  
43 amended to read as follows:

44 41-5406. MANDATORY CONTROL LEVEL EVENT. (1) "Mandatory control level  
45 event" means any of the following events:

46 (a) The filing of an RBC report ~~which~~ that indicates that the insurer's  
47 total adjusted capital is less than its mandatory control level RBC;

48 (b) Notification by the director to the insurer of an adjusted RBC re-  
49 port that indicates the event in paragraph (a) of this subsection, pro-

1 vided the insurer does not challenge the adjusted RBC report under sec-  
 2 tion 41-5407, Idaho Code; or

3 (c) If, pursuant to section 41-5407, Idaho Code, the insurer challenges  
 4 an adjusted RBC report that indicates the event in paragraph (a) of this  
 5 subsection, notification by the director to the insurer that the direc-  
 6 tor has, after a hearing, rejected the insurer's challenge.

7 (2) In the event of a mandatory control level event:

8 (a) With respect to a life and/or health insurer that completes the life  
 9 annual statement for the reporting year or fraternal benefit society,  
 10 the director shall take such actions as are necessary to place the in-  
 11 surer under regulatory control pursuant to chapter 33, title 41, Idaho  
 12 Code. In that event, the mandatory control level event shall be deemed  
 13 sufficient grounds for the director to take action pursuant to chapter  
 14 33, title 41, Idaho Code, and the director shall have the rights, pow-  
 15 ers and duties with respect to the insurer as are set forth in chapter  
 16 33, title 41, Idaho Code. If the director takes actions pursuant to an  
 17 adjusted RBC report, the insurer shall be entitled to the protections  
 18 of section 41-3309, Idaho Code, pertaining to summary proceedings.  
 19 Notwithstanding any of the foregoing, the director may ~~forego~~ forgo ac-  
 20 tion for up to ninety (90) days after the mandatory control level event  
 21 if the director finds there is a reasonable expectation that the manda-  
 22 tory control level event may be eliminated within the ninety (90) day  
 23 period.

24 (b) With respect to a property and casualty insurer, health organiza-  
 25 tion or health insurer that completes the health annual statement for  
 26 the reporting year, the director shall take such actions as are neces-  
 27 sary to place the insurer under regulatory control pursuant to chapter  
 28 33, title 41, Idaho Code, or, in the case of an insurer which is writing  
 29 no business and which is running off its existing business, may allow  
 30 the insurer to continue its run off under the supervision of the direc-  
 31 tor. In either event, the mandatory control level event shall be deemed  
 32 sufficient grounds for the director to take action pursuant to chapter  
 33 33, title 41, Idaho Code, and the director shall have the rights, pow-  
 34 ers and duties with respect to the insurer as are set forth in chapter  
 35 33, title 41, Idaho Code. If the director takes actions pursuant to an  
 36 adjusted RBC report, the insurer shall be entitled to the protections  
 37 of section 41-3309, Idaho Code, pertaining to summary proceedings.  
 38 Notwithstanding any of the foregoing, the director may ~~forego~~ forgo ac-  
 39 tion for up to ninety (90) days after the mandatory control level event  
 40 if the director finds there is a reasonable expectation that the manda-  
 41 tory control level event may be eliminated within the ninety (90) day  
 42 period.

43 SECTION 5. That Section 41-5408, Idaho Code, be, and the same is hereby  
 44 amended to read as follows:

45 41-5408. CONFIDENTIALITY -- PROHIBITION ON ANNOUNCEMENTS, PROHIBI-  
 46 TION ON USE IN RATEMAKING. (1) All RBC reports, to the extent the information  
 47 therein is not required to be set forth in a publicly available annual  
 48 statement schedule, and RBC plans, including the results or report of any  
 49 examination or analysis of an insurer performed pursuant hereto and any cor-

1     rective order issued by the director pursuant to examination or analysis,  
2     with respect to any domestic insurer or foreign insurer which are filed with  
3     the director, constitute information that might be damaging to the insurer  
4     if made available to its competitors, and therefore shall be kept confiden-  
5     tial by the director and shall be considered privileged. Notwithstanding  
6     the provisions of chapter 3, title 9, Idaho Code, this information shall not  
7     be made public or be subject to subpoena, ~~other than by the director and then~~  
8     ~~only for the purpose of enforcement actions taken by the director pursuant to~~  
9     ~~this chapter or any other provision of the insurance laws of this state and~~  
10    ~~shall not be subject to discovery or admissible in evidence in any private~~  
11    ~~civil action. However, the director is authorized to use the documents,~~  
12    ~~materials or other information in the furtherance of any regulatory or legal~~  
13    ~~action brought as a part of the director's official duties.~~

14    (2) Neither the director nor any person who received documents, mate-  
15    rials or other information while acting under the authority of the direc-  
16    tor shall be permitted or required to testify in any private civil action  
17    concerning any confidential documents, materials or information obtained or  
18    provided pursuant to subsection (1) of this section.

19    (3) In order to assist in the performance of his duties under this chap-  
20    ter, the director may:

21    (a) Share documents, materials or other information, including the  
22    confidential and privileged documents, materials or information sub-  
23    ject to subsection (1) of this section, with other states, federal and  
24    international regulatory agencies, with the NAIC and its affiliates and  
25    subsidiaries and with state, federal and international law enforcement  
26    authorities, provided that the recipient agrees to maintain the con-  
27    fidentiality and privileged status of the document, material or other  
28    information;

29    (b) Receive documents, materials or information, including otherwise  
30    confidential and privileged documents, materials or information, from  
31    the NAIC and its affiliates and subsidiaries and from regulatory and law  
32    enforcement officials of other foreign or domestic jurisdictions and  
33    shall maintain as confidential or privileged any document, material or  
34    information received with notice of or the understanding that it is con-  
35    fidential or privileged under the laws of the jurisdiction that is the  
36    source of the document, material or information; and

37    (c) Enter into agreements governing the sharing and use of information  
38    consistent with the provisions of this subsection.

39    (4) No waiver of any applicable privilege or claim of confidentiality  
40    in the documents, materials or information referenced in this section shall  
41    occur as a result of disclosure to the director under this section or as a re-  
42    sult of sharing as authorized in subsection (3) of this section.

43    (5) It is the judgment of the legislature that the comparison of an  
44    insurer's total adjusted capital to any of its RBC levels is a regulatory  
45    tool which may indicate the need for possible corrective action with respect  
46    to the insurer, and is not intended as a means to rank insurers generally.  
47    Therefore, except as otherwise required under the provisions of this chap-  
48    ter, the making, publishing, disseminating, circulating or placing before  
49    the public, or causing, directly or indirectly, to be made, published,  
50    disseminated, circulated or placed before the public, in a newspaper, mag-

1     azine or other publication, or in the form of a notice, circular, pamphlet,  
 2     letter or poster, or over any radio or television station, or in any other  
 3     way, an advertisement, announcement or statement containing an assertion,  
 4     representation or statement with regard to the RBC levels of any insurer,  
 5     or of any component derived in the calculation, by any insurer, agent, bro-  
 6     ker or other person engaged in any manner in the insurance business would  
 7     be misleading and is therefore prohibited; provided however, that if any  
 8     materially false statement with respect to the comparison regarding an in-  
 9     surer's total adjusted capital to its RBC levels, or any of them, or an  
 10    inappropriate comparison of any other amount to the insurers' RBC levels is  
 11    published in any written publication and the insurer is able to demonstrate  
 12    to the director with substantial proof the falsity of such statement, or the  
 13    inappropriateness, as the case may be, then the insurer may publish an an-  
 14    nouncement in a written publication if the sole purpose of the announcement  
 15    is to rebut the materially false statement.

16       (36) It is the further judgment of the legislature that the RBC instruc-  
 17    tions, RBC reports, adjusted RBC reports, RBC plans and revised RBC plans are  
 18    intended solely for use by the director in monitoring the solvency of insur-  
 19    ers and the need for possible corrective action with respect to insurers and  
 20    shall not be used by the director for ratemaking nor considered or introduced  
 21    as evidence in any rate proceeding nor used by the director to calculate or  
 22    derive any elements of an appropriate premium level or rate of return for any  
 23    line of insurance which an insurer or any affiliate is authorized to write.

24       SECTION 6. That Section 41-5409, Idaho Code, be, and the same is hereby  
 25    amended to read as follows:

26       41-5409. SUPPLEMENTAL PROVISIONS -- RULES -- EXEMPTION. (1) The pro-  
 27    visions of this chapter are supplemental to any other provisions of the laws  
 28    of this state, and shall not preclude or limit any other powers or duties of  
 29    the director under such laws, including, but not limited to, chapter 33, ti-  
 30    tle 41, Idaho Code, and rules adopted by the department of insurance relating  
 31    to the director's authority for companies deemed to be in hazardous finan-  
 32    cial condition.

33       (2) The director may adopt reasonable rules necessary for the implemen-  
 34    tation of this chapter in accordance with the provisions of chapter 52, title  
 35    67, Idaho Code.

36       (3) Upon written application, the director may exempt from compliance  
 37    with this chapter, for a specified period or periods, any domestic property  
 38    and casualty insurer, domestic managed care organization or domestic health  
 39    organization which:

40       (a) Writes direct business only in this state; and

41       (b) Writes direct annual premiums of two million dollars (\$2,000,000)  
 42       or less; and

43       (c) Assumes no reinsurance in excess of five percent (5%) of direct pre-  
 44       mium written; or

45       (d) Is a managed care organization offering only a limited managed care  
 46       plan, a hospital service corporation or a professional service corpora-  
 47       tion that covers less than two thousand (2,000) lives.



1 SECTION 7. That Section 41-3239, Idaho Code, be, and the same is hereby  
2 amended to read as follows:

3 41-3239. OTHER PROVISIONS APPLICABLE. (1) Except as herein provided,  
4 societies shall be governed by this chapter and shall be exempt from all  
5 other provisions of the insurance laws of this state, not only in govern-  
6 mental relations with this state, but for every other purpose, and no law  
7 hereafter enacted shall apply to them, unless expressly designated therein.

8 (2) The following chapters and provisions of this code shall also apply  
9 to fraternal benefit societies (who for the purpose shall be deemed also to  
10 be "insurers") to the extent so applicable and not inconsistent with the ex-  
11 press provisions of this chapter and the reasonable implications of such ex-  
12 press provisions:

- 13 (a) Chapter 1 (scope of code);
- 14 (b) Chapter 2 (the director of insurance);
- 15 (c) Section 41-308(2) (general eligibility for certificate of author-  
16 ity), and for the purpose the annual license of a fraternal benefit so-  
17 ciety is deemed to be its "certificate of authority";
- 18 (d) Sections 41-1201 (representing or aiding unauthorized insurer  
19 prohibited), 41-1202 (penalty), and 41-1203 (suits by unauthorized in-  
20 surer prohibited);
- 21 (e) The following sections of chapter 18 (the insurance contract):
  - 22 (i) Section 41-1828 (payment discharges insurer -- payment to  
23 marital community);
  - 24 (ii) Section 41-1829 (minor may give acquittance);
  - 25 (iii) Section 41-1830 (life policy as separate property of married  
26 woman);
  - 27 (iv) Section 41-1838 (venue of suits against insurers);
  - 28 (v) Section 41-1839 (allowance of attorney fees in suits against  
29 insurers);
- 30 (f) Section 41-1934 (prohibited policy plans);
- 31 (g) Section 41-2837 (prohibited pecuniary interest of officials);
- 32 (h) Chapter 33 (rehabilitation and liquidation);
- 33 (i) Section 41-332 (foreign insurers exempt from corporation laws gov-  
34 erning admission of foreign corporations);
- 35 (j) Section 41-2141 (coordination with social security benefits);
- 36 (k) Section 41-1927A (standard nonforfeiture law for individual de-  
37 ferred annuities); ~~and~~
- 38 (l) Chapter 46 (long-term care insurance); and
- 39 (m) Chapter 54 (risk-based capital).

40 SECTION 8. That Section 41-3434, Idaho Code, be, and the same is hereby  
41 amended to read as follows:

42 41-3434. OTHER PROVISIONS APPLICABLE. In addition to those contained  
43 or referred to heretofore in this chapter, the following chapters and provi-  
44 sions of this code shall also apply with respect to service corporations to  
45 the extent applicable and not in conflict with the express provisions of this  
46 chapter and the reasonable implications of such express provisions, and for  
47 the purposes of such application such corporations shall be deemed to be mu-  
48 tual "insurers":

- 1 (1) Chapter 1 (scope of code);
- 2 (2) Chapter 2 (the director of insurance);
- 3 (3) Section 41-308(2) (general eligibility for certificate of author-
- 4 ity -- competence, affiliations of management);
- 5 (4) Sections 41-345 through 41-347 (disclosure of material transac-
- 6 tions);
- 7 (5) Section 41-601 ("assets" defined);
- 8 (6) Section 41-603 (assets not allowed);
- 9 (7) Section 41-604 (disallowance of "wash" transactions);
- 10 (8) Section 41-613 (valuation of bonds);
- 11 (9) Section 41-731 (prohibited investments and investment underwrit-
- 12 ing);
- 13 (10) Chapter 13 (trade practices and frauds);
- 14 (11) Section 41-2840 (vouchers for expenditures);
- 15 (12) Section 41-2841 (borrowed surplus);
- 16 (13) Sections 41-2857 (mergers and consolidations, mutual insurers),
- 17 41-2858 (bulk reinsurance, mutual insurers), and 41-2859 (mutual member's
- 18 share of assets on liquidation);
- 19 (14) Chapter 33 (supervision, rehabilitation and liquidation);
- 20 (15) Sections 799 to 809 of chapter 330 of Session Laws of 1961 (transi-
- 21 tory provisions);
- 22 (16) Section 41-2106(3) (health history application for disability in-
- 23 surance);
- 24 (17) Section 41-2141 (coordination of benefits -- coordination with so-
- 25 cial security benefits);
- 26 (18) Section 41-1839 (attorney fees);
- 27 (19) Chapter 46 (long-term care insurance);
- 28 (20) Section 41-1844 (prescription drug benefit restrictions prohib-
- 29 ited); ~~and~~
- 30 (21) Section 41-2216 (coordination of benefits -- coordination with so-
- 31 cial security benefits); and
- 32 (22) Chapter 54 (risk-based capital).

33 SECTION 9. This act shall be in full force and effect on and after Jan-

34 uary 1, 2015.