

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 327

BY WAYS AND MEANS COMMITTEE

AN ACT

1 RELATING TO CASUALTY INSURANCE CONTRACTS; AMENDING SECTION 41-2503, IDAHO
2 CODE, TO REVISE PROVISIONS RELATING TO UNDERINSURED MOTOR VEHICLE COV-
3 ERAGE; AND PROVIDING AN EFFECTIVE DATE.
4

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

6 SECTION 1. That Section 41-2503, Idaho Code, be, and the same is hereby
7 amended to read as follows:

8 41-2503. DEFINITIONS AND APPLICATION. (1) For the purposes of unin-
9 sured motorist coverage, the term "uninsured motor vehicle" shall, subject
10 to the terms and conditions of such coverage, be deemed to include an insured
11 motor vehicle where the liability insurer thereof is unable to make payment
12 with respect to the legal liability of its insured within the limits speci-
13 fied therein because of insolvency.

14 (2) For purposes of underinsured motorist coverage, subject to the fur-
15 ther definitions, terms and conditions of such coverage, the term "underin-
16 sured motor vehicle" means a motor vehicle that is a self-insured motor ve-
17 hicle, or a motor vehicle that is covered by a policy of motor vehicle lia-
18 bility insurance or an indemnity bond, with limits for bodily injury or death
19 at least equal to those limits set forth in section 49-117, Idaho Code. As
20 to any new policy or the first renewal or replacement of any existing pol-
21 icy providing motor vehicle underinsurance with an effective date on or af-
22 ter January 1, 2016, underinsured motor vehicle coverage is excess coverage
23 in addition to the insufficient coverage of the tortfeasor and such underin-
24 sured motor vehicle coverage limits may not be reduced by amounts paid by the
25 tortfeasor's coverage or any other coverage. Provided however, the injured
26 person may not have a right under the policy to payment pursuant to the un-
27 derinsured motor vehicle coverage that would provide recovery of an amount
28 greater than the total legal liability of the tortfeasor or the applicable
29 limits of the underinsured coverage, whichever is the lesser.

30 (3) Except as provided in subsections (1) and (2) of this section, the
31 terms and conditions of any policy of motor vehicle liability insurance pro-
32 viding uninsured motorist coverage or underinsured motorist coverage are
33 not altered or amended.

34 SECTION 2. This act shall be in full force and effect on and after Jan-
35 uary 1, 2016.