

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 163

BY BUSINESS COMMITTEE

AN ACT

1 RELATING TO CASUALTY INSURANCE CONTRACTS; AMENDING SECTION 41-2503, IDAHO  
2 CODE, TO ESTABLISH PROVISIONS REGARDING UNDERINSURED MOTOR VEHICLE  
3 COVERAGE; AND PROVIDING AN EFFECTIVE DATE.  
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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 vehi-  
17 cle, or a motor vehicle that is covered by a policy of motor vehicle liabil-  
18 ity insurance or an indemnity bond, with limits for bodily injury or death at  
19 least equal to those limits set forth in section 49-117, Idaho Code.

20 (3) Underinsured motor vehicle coverage is excess coverage in addition  
21 to the insufficient coverage of the tortfeasor, and such underinsured motor  
22 vehicle coverage limits may not be reduced by amounts paid by the tortfea-  
23 sor's coverage or any other coverage.

24 (4) Notwithstanding the provisions of subsection (3) of this section,  
25 a covered insured may not have a right under an applicable underinsured mo-  
26 torist policy to payment pursuant to the underinsured motor vehicle coverage  
27 that would provide recovery of an amount greater than the total legal liabil-  
28 ity of the tortfeasor or the applicable limits of the underinsured coverage,  
29 whichever is the lesser.

30 (5) Except as provided in subsections (1) ~~and~~ through (24) of this sec-  
31 tion, the terms and conditions of any policy of motor vehicle liability in-  
32 surance providing uninsured motorist coverage or underinsured motorist cov-  
33 erage are not altered or amended.

34 SECTION 2. This act shall be in full force and effect on and after Jan-  
35 uary 1, 2018.