

STATEMENT OF PURPOSE

RS25813

This legislation is intended to bring Idaho Code 41-3812 into closer alignment with the majority of states in the calculation for determining whether a dividend or distribution by a domestic insurer within an insurance holding company system is extraordinary or nonextraordinary. The notice and approval requirements vary depending on whether a dividend or distribution is deemed extraordinary or nonextraordinary. The legislation will allow a domestic insurer to declare a nonextraordinary dividend if the dividend does not exceed the greater of 10% of surplus or the operating income for the preceding year, while providing appropriate levels of Department of Insurance oversight.

FISCAL NOTE

There is no fiscal impact to the general fund or any other state fund or expenditure. This legislation merely changes the calculation of a formula.

Contact:

John Mackey, United Heritage Insurance
johnmackey322@msn.com
(208) 250-2204

DISCLAIMER: This statement of purpose and fiscal note are a mere attachment to this bill and prepared by a proponent of the bill. It is neither intended as an expression of legislative intent nor intended for any use outside of the legislative process, including judicial review (Joint Rule 18).