Dear Senators PATRICK, Agenbroad, Ward-Engelking, and Representatives DIXON, DeMordaunt, Smith:

The Legislative Services Office, Research and Legislation, has received the enclosed rules of the Department of Insurance:
IDAPA 18.00.00 - Notice of Omnibus Rulemaking - Temporary and Proposed Fee Rulemaking (Docket No. 18-0000-1900F).

Pursuant to Section 67-454, Idaho Code, a meeting on the enclosed rules may be called by the cochairmen or by two (2) or more members of the subcommittee giving oral or written notice to Research and Legislation no later than fourteen (14) days after receipt of the rules' analysis from Legislative Services. The final date to call a meeting on the enclosed rules is no later than 07/23/2019. If a meeting is called, the subcommittee must hold the meeting within forty-two (42) days of receipt of the rules' analysis from Legislative Services. The final date to hold a meeting on the enclosed rules is 08/20/2019.

The germane joint subcommittee may request a statement of economic impact with respect to a proposed rule by notifying Research and Legislation. There is no time limit on requesting this statement, and it may be requested whether or not a meeting on the proposed rule is called or after a meeting has been held.

To notify Research and Legislation, call 334-4854, or send a written request to the address on the memorandum attached below.
MEMORANDUM

TO: Rules Review Subcommittee of the Senate Commerce & Human Resources Committee and the House Business Committee
FROM: Principal Legislative Drafting Attorney - Elizabeth Bowen
DATE: July 02, 2019
SUBJECT: Department of Insurance

IDAPA 18.00.00 - Notice of Omnibus Rulemaking - Temporary and Proposed Fee Rulemaking (Docket No. 18-0000-1900F)

The Department of Insurance has submitted temporary and proposed rules that reauthorize and republish the following previously approved chapters under IDAPA 18:

18.01.44, Schedule of Fees, Licenses, and Miscellaneous Charges, **redesignated as IDAPA 18.01.02**
18.01.49, Fire Protection Sprinkler Contractors, **redesignated as IDAPA 18.08.02**

These rules were previously analyzed and reviewed by the Legislative Services Office upon their initial promulgation. **However, changes from the previously approved rules are noted as follows:**

18.01.44 (18.01.02)

Section 020.03.a.ii, regarding a fee for trusteed reinsurers, is being allowed to expire.
Section 040.04, regarding a fee for life insurance valuation, is being allowed to expire.
Section 040.08, regarding fees for small employer health programs, is being allowed to expire.

Additional changes of a nonsubstantive nature have been made as well. All changes appear to be within the agency's statutory authority to promulgate rules.

This is a fee rule. No new fees or charges, or changes to existing fees or charges, are noted in this docket, except for the fees being eliminated due to expiring rules.

cc: Department of Insurance
Dean L. Cameron

*** PLEASE NOTE ***
Per the Idaho Constitution, all administrative rules may be reviewed by the Legislature during the next legislative session. The Legislature has 3 options with this rulemaking docket: 1) Approve the docket in its entirety; 2) Reject the docket in its entirety; or 3) Reject the docket in part.
EFFECTIVE DATE: The effective date of the temporary rules listed in the descriptive summary of this notice is June 30, 2019.

AUTHORITY: In compliance with Sections 67-5221(1) and 67-5226, Idaho Code, notice is hereby given that this agency has adopted temporary rules, and proposed rulemaking procedures have been initiated. The action is authorized pursuant to Sections 41-211, 41-254, and 41-401, Idaho Code.

PUBLIC HEARING SCHEDULE: Oral comment concerning this rulemaking will be scheduled in accordance with Section 67-5222, Idaho Code.

DESCRIPTIVE SUMMARY: The following is the required finding and concise statement of its supporting reasons for adopting a temporary rule and a nontechnical explanation of the substance and purpose of the proposed rulemaking:

This temporary and proposed rulemaking adopts and re-publishes the following existing and previously approved and codified chapters under IDAPA 18, rules of the Department of Insurance:

**IDAPA 18**

**All Lines:**
- 18.01.44, Schedule of Fees, Licenses, and Miscellaneous Charges – all rules *except for Subsections 040.04, 040.08, and 020.03.vii.*; Subsection 005.04 was modified to update the Department’s web address; hereby re-designated as IDAPA 18.01.02

**State Fire Marshal:**
- 18.01.49, *Fire Protection Sprinkler Contractors*, hereby re-designated as IDAPA 18.08.02

TEMPORARY RULE JUSTIFICATION: Pursuant to Sections 67-5226(1) and 67-5226(2), Idaho Code, the Governor has found that temporary adoption of the rule is appropriate for the following reasons:

These temporary rules are necessary to protect the public health, safety, and welfare of the citizens of Idaho and confer a benefit on its citizens. These previously approved and codified rules implement the duly enacted laws of the state of Idaho, provide citizens with the detailed rules and standards for complying with those laws, and assist in the orderly execution and enforcement of those laws. The expiration of these rules without due consideration and processes would undermine the public health, safety and welfare of the citizens of Idaho and deprive them of the benefit intended by these rules. The inclusion of these rules is critical to the Department of Insurance (DOI). The DOI is completely run, operated, and budgeted based on the collection of fees from licensed agents, carriers, and miscellaneous entities. The inability to collect fees would dramatically disrupt the operations of the DOI and it would cause the department to lose its accreditation which would in turn cause carriers to leave the state. The Department seeks the reauthorization of the aforementioned fees with the exception of two.

The fee or charge imposed by the rules is necessary to avoid immediate danger. The fees or charges reauthorized in this rulemaking are currently existing and have been previously promulgated by the agency and reviewed and approved by the Legislature. These fees and charges are part of the dedicated fund portion of the state budget, which makes up a material portion of the FY2020 budget. The FY2020 budget has already been set by the Legislature and passed into law. That budget relies upon the existence of these fees and charges to meet the state’s obligations and provide necessary state services. Failing to reauthorize these fee rules would create immediate danger to the state budget, immediate danger to necessary state functions and services, and immediate danger of a violation of Idaho’s constitutional requirement that it balance its budget. The Department of Insurance is funded solely based on fees from agents, carriers, and miscellaneous entities, as the premium tax and other non-fee funds collected by the Department go the state general fund. Elimination of these fees would force the Department to be funded by the general fund which would create a constitutional conflict. The fees within the rulemaking on 18.01.02 apply to insurers and related
entities (020), producers and other licensees (030), and miscellaneous fees (040). The fees within the rulemaking on 18.08.02 apply to the State Fire Marshal’s actions on applications and licenses (015).

**FEE SUMMARY:** The preceding section and the attached rules provide a specific description of the fee or charge imposed or increased by this rulemaking. This rulemaking does not impose a fee or charge, or increase a fee or charge, beyond what was previously approved and codified in the prior rules. This rulemaking seeks to eliminate two fees.

**FISCAL IMPACT:** The following is a specific description, if applicable, of any negative fiscal impact on the state general fund greater than ten thousand dollars ($10,000) during the fiscal year: This rulemaking is not anticipated to have any fiscal impact on the state general fund because the FY 2020 budget has already been set by the Legislature, and approved by the Governor, anticipating the existence of the rules and fees being reauthorized by this rulemaking.

**NEGOTIATED RULEMAKING:** Pursuant to Section 67-5220(2), Idaho Code, negotiated rulemaking was not feasible because of the need to adopt the rules as temporary, and because these existing chapters of IDAPA are being re-published and re-authorized. Negotiated rulemaking also is not feasible because of the need to implement these rules before they expire; the rules form the regulatory framework of the laws of this state and have been previously promulgated and reviewed by the legislature pursuant to the Idaho Administrative Procedures Act, Chapter 52, Title 67, Idaho Code; and because engaging in negotiated rulemaking for all previously existing rules will inhibit the agency from carrying out its ability to serve the citizens of Idaho and to protect their health, safety, and welfare.

**INCORPORATION BY REFERENCE:** Pursuant to Section 67-5229(2)(a), Idaho Code, incorporated material may be obtained or electronically accessed as provided in the text of the temporary and proposed rules attached hereto.

**ASSISTANCE ON TECHNICAL QUESTIONS, SUBMISSION OF WRITTEN COMMENTS:** For assistance on technical questions concerning the temporary and proposed rule, contact Pamela Murray, (208) 334-4217, pamela.murray@doi.idaho.gov.

Anyone may submit written comments regarding the proposed rulemaking. All written comments must be directed to the undersigned and must be delivered within twenty-one (21) days after publication of this Notice in the Idaho Administrative Bulletin. Oral presentation of comments may be requested pursuant to Section 67-5222(2), Idaho Code, and must be delivered to the undersigned within fourteen (14) days of the date of publication of this Notice in the Idaho Administrative Bulletin.

Dated this 19th day of June, 2019.

Dean L. Cameron, Director
Idaho Department of Insurance
700 W. State Street, 3rd Floor
P.O. Box 83720
Boise, ID 83702-0043
Phone: (208) 334-4250
Fax: (208) 334-4398
000. **LEGAL AUTHORITY.**
This rule is promulgated and adopted pursuant to the authority vested in the Director under Title 41, Chapter 2, Idaho Code, and Title 41, Chapter 4, Idaho Code. (7-1-00)

001. **TITLE AND SCOPE.**
   01. **Title.** This rule is titled Idaho Department of Insurance Rule, IDAPA 18.01.02, “Schedule of Fees, Licenses, and Miscellaneous Charges.” (7-1-00)
   02. **Scope.** The purpose of this rule is to provide for the amounts to be collected for fees, licenses and miscellaneous charges. (7-1-00)

002. **WRITTEN INTERPRETATIONS.**
In accordance with Section 67-5201(19)(b)(iv), Idaho Code, this agency may have written statements which pertain to the interpretation of the rules of this chapter, or to the documentation of compliance with the rules of this chapter. These documents will be available for public inspection and copying in accordance with the public records act. (3-19-07)

003. **ADMINISTRATIVE APPEALS.**
All contested cases shall be governed by the provisions of IDAPA 04.11.01, “Idaho Rules of Administrative Procedure of the Attorney General.” (7-1-00)

004. **INCORPORATION BY REFERENCE.**
There are no documents to be incorporated by reference. (3-19-07)

005. **OFFICE – OFFICE HOURS – MAILING ADDRESS -- WEB ADDRESS.**
   01. **Office Hours.** 8 a.m. to 5 p.m. except Saturday, Sunday and legal holidays. (3-19-07)
   02. **Mailing Address.** P.O. Box 83720, Boise ID 83720-0043. (3-19-07)
   03. **Street Address.** 700 West State Street, 3rd Floor, Boise, Idaho 83702-0043. (3-199-07)
   04. **Web Address.** The department’s website is http://www.doi.idaho.gov. (3-19-07)

006. **PUBLIC RECORDS ACT COMPLIANCE.**
Any records associated with these rules are subject to the provisions of the Idaho Public Records Act, Title 74, Chapter 1, Idaho Code. (3-19-07)

007. -- 010. (RESERVED)

011. **FEES PAYABLE IN ADVANCE.**
The director will collect in advance fees, licenses, and miscellaneous charges as outlined in this rule. (7-1-00)

012. -- 019. (RESERVED)

020. **INSURER FEES.**
   01. **Annual Continuation Fee.** All insurers and other entities (set forth in Section 020) licensed, listed, or otherwise approved to do business in the state of Idaho shall pay an annual continuation fee. (7-1-00)
      a. The annual continuation fee shall be due on March 1st each year and shall provide for payment of
the insurer’s fees due through the last day of February next proceeding.  

(7-1-00)

b. The annual continuation fee shall be charged at the time the insurer applies for admission to do business in the state of Idaho. If the application is approved, the fee paid shall cover the insurer’s fees through the last day of February next proceeding.  

(7-1-00)

02. Fee for Insurers. For all insurance companies receiving a certificate of authority pursuant to Chapter 3, Title 41, Idaho Code, the amount of the annual continuation fee shall be as follows:  

(7-1-00)

a. If insurer’s surplus as regards policyholders at the preceding December 31 is less than ten million dollars ($10,000,000) - One thousand dollars ($1,000).  

(7-1-00)

b. If insurer’s surplus as regards policyholders at the preceding December 31 is ten million ($10,000,000) or more, but less than one hundred million ($100,000,000) -- Two thousand five hundred dollars ($2,500).  

(7-1-00)

c. If insurer’s surplus as regards policyholders at the preceding December 31 is one hundred million ($100,000,000) or greater - Four thousand five hundred dollars ($4,500).  

(7-1-00)

03. Fees of Other Entities. For the following entities, the amount of the annual continuation fee shall be:  

(7-1-01)

a. Five hundred dollars ($500):  

(7-1-01)

i. All reinsurers, listed pursuant to Section 41-51, Idaho Code.  

(6-30-19)T

ii. Authorized surplus line insurers.  

(7-1-00)

iii. County mutual insurers.  

(7-1-00)

iv. Fraternal benefit societies.  

(7-1-00)

v. Hospital and/or professional service corporations.  

(7-1-00)

vi. Hospital liability trusts.  

(7-1-00)

vii. Self funded health care plans.  

(3-24-16)

viii. Domestic Risk retention groups.  

(7-1-01)

ix. Petroleum clean water trusts.  

(7-1-00)

x. Rating organizations.  

(7-1-00)

xi. Advisory organizations.  

(7-1-00)

b. One hundred dollars ($100):  

(7-1-01)

i. Purchasing groups.  

(7-1-00)

04. What Payment of Fee Shall Cover. Payment of the annual continuation fee shall be deemed to be payment of all fees that would ordinarily be paid to the Department by the insurer or entity during the relevant year, including, but not limited to, the following:  

(7-1-00)

a. Certificate of authority renewal, license renewal, and annual registration.  

(7-1-00)

b. Arson, Fire and Fraud.  

(7-1-00)
c. Annual statement filing. (7-1-00)
d. Agent appointment and renewal of appointment. (7-1-00)
e. Filings under Chapter 38, Title 41, Idaho Code, Acquisition of control and insurance holding company systems. (7-1-00)
f. Filing of amendments to Articles of Incorporation. (7-1-00)
g. Filing of amendments to Bylaws. (7-1-00)
h. Amendments to Certificate of Authority. (7-1-00)
i. Filing of notice of significant transactions pursuant to Section 41-345, Idaho Code. (7-1-00)
j. Quarterly statement filing. (7-1-00)
k. Examination expenses. (3-24-16)

05. Fees Not Included. Payment of the annual continuation fee will not exempt the insurer or entity from the following: (7-1-00)
a. Fees for application for producer license. (7-1-00)
b. Costs incurred by the Department for investigation of an applicant for producer license. (7-1-00)
c. Attorney’s fees and costs incurred by the Department when allowed pursuant to Idaho Code. (7-1-00)
d. Costs incurred for experts and consultants when allowed by Idaho Code. (7-1-00)
e. Penalties or fines levied by or payable to the Department of Insurance. (7-1-00)
f. All fees set forth under Section 040. (7-1-00)

06. Failure to Pay Fee. Failure to pay the annual continuation fee on or before March 1st each year shall be treated as failure to pay the continuation fee and will result in expiration of the insurer’s or entity’s authority to do business in the state of Idaho pursuant to Section 41-324, Idaho Code. (7-1-00)

07. Reinstatement Fee. The reinstatement fee referenced in Section 41-324(3), Idaho Code, shall be the amount referenced above for the insurer or entity continuation fee. (7-1-00)

021. -- 029. (RESERVED)

030. PRODUCER AND MISCELLANEOUS LICENSING FEES.

01. Original License Application. The following fees are due and must be paid with the filing application for original license, which fees include the issuance of a license, if issued: (3-13-02)
a. Administrators -- three hundred dollars ($300). (7-1-00)
b. Producers -- eighty dollars ($80). (3-13-02)
c. Designation as a managing general agent -- eighty dollars ($80). (3-13-02)
d. Adjusters and public adjusters -- eighty dollars ($80). (3-24-16)
e. Reinsurance intermediary -- eighty dollars ($80).     (3-13-02)
f. Surplus line brokers -- eighty dollars ($80).     (3-13-02)
g. Life settlement providers -- five hundred dollars ($500).     (3-29-10)
h. Life settlement brokers -- three hundred dollars ($300).     (3-29-10)
i. Independent review organization -- five hundred dollars ($500).     (3-29-10)
j. Vendor of portable electronics insurance, a type of limited lines producer:
   i. A vendor of portable electronic insurance who is engaged in portable electronic transactions at
      more than ten (10) locations in the state of Idaho -- one thousand dollars ($1,000).     (3-27-13)
   ii. A vendor of portable electronic insurance who is engaged in portable electronic transactions at ten
      (10) or fewer locations in the state of Idaho -- one hundred dollars ($100).     (3-27-13)
02. Examination Fees. The following fees are due and must be paid in order to take examinations for
   the following licenses:
   a. Producers, public adjusters, and adjusters -- application for examination and each time taken -- a
      fee set forth by contract between the department and third-party testing vendor, which entire amount is to be paid by
      the applicant to the vendor and retained by the vendor.     (3-24-16)
03. Fingerprint Processing. Processing fingerprints (as applicable) -- not to exceed eighty dollars
   ($80).     (3-27-13)
04. License Renewal. The following fees are due and must be paid for each license in order to renew
   or continue each and every license:
   a. Adjusters, public adjusters, and producers (biennial) -- eighty dollars ($80), or sixty dollars ($60) if
      renewed electronically.
      i. A vendor of portable electronic insurance who is engaged in portable electronic transactions at
         more than ten (10) locations in the state of Idaho -- five hundred dollars ($500).     (3-27-13)
      ii. A vendor of portable electronic insurance who is engaged in portable electronic transactions at ten
         (10) or fewer locations in the state of Idaho -- one hundred dollars ($100).     (3-27-13)
   b. Redesignation as managing general agent (annual) -- eighty dollars ($80).     (3-13-02)
   c. Administrators (biennial) -- eighty dollars ($80).     (3-19-07)
      i. Renewal form shall be filed on or before December 31.     (3-19-07)
      ii. Any renewal form postmarked after December 31 shall include a penalty in an amount equal to the
         renewal fee.     (3-19-07)
      iii. A renewal form postmarked after January 31 must be submitted as a new application with
         supporting documents and the full application fee.     (3-19-07)
   d. Surplus line brokers (biennial) -- eighty dollars ($80), or sixty dollars ($60) if renewed
      electronically.     (3-16-04)
   e. Life settlement providers (biennial) -- three hundred dollars ($300).     (3-29-10)
f. Life settlement brokers (biennial) -- eighty dollars ($80). (3-29-10)

g. Independent review organization (biennial) -- three hundred dollars ($300). (3-29-10)

031. -- 039. (RESERVED)

040. MISCELLANEOUS FEES.
Miscellaneous fees shall be as follows. (7-1-00)

01. Certified Copy. Certified copy of certificate of authority, license or registration - Fifty dollars ($50). (7-1-00)

02. Certificate Under Seal. Director’s certificate under seal (except for those under Subsection 040.01 of this rule) - Twenty dollars ($20). (7-1-00)

03. Documents Filed. For each copy of document filed in his office, a reasonable cost as fixed by the director. For rate and form filings not submitted electronically through the national System for Electronic Rate and Form Filing (SERFF) -- Twenty dollars ($20) for each rate or form filed in excess of ten (10) per calendar year. (4-9-09)

04. Insurer Service of Process. For receiving and forwarding copy of summons or other process served upon the director as process agent of an insurer -- Thirty dollars ($30). (7-1-00)

05. Agent Service of Process. For receiving and forwarding copy of summons or other process served upon the director as process agent of a nonresident producer or other person for which the director is authorized to serve as statutory agent for service of process -- Thirty dollars ($30). (3-24-16)

06. Continuing Education. Filing continuing education applications for approval and certification of subjects of courses (each application) -- Twenty-five dollars ($25). (7-1-00)

041. -- 049. (RESERVED)

050. REFUNDS.
All fees, licenses, and miscellaneous charges are non-refundable except as noted. (7-1-00)

051. OVERPAYMENTS.
Overpayments of published fees will be returned only when such overpayments exceed twenty dollars ($20), or upon request of the payor. (7-1-00)

052. -- 999. (RESERVED)
18.08.02 – FIRE PROTECTION SPRINKLER CONTRACTORS

000. LEGAL AUTHORITY.
This rule is promulgated pursuant to authority granted by Section 41-254(2), (3) and Chapter 52 of Title 67, Idaho Code, and Chapter 9 International Fire Code. (5-3-03)

001. TITLE AND SCOPE.

01. Purpose. This rule is to assure the people of Idaho that fire sprinkler systems and their appurtenances are being installed and maintained by qualified persons and organizations that contract to sell, design, modify, install, service, or maintain such systems; to safeguard lives and property and protect the public interest; to require insurance, and bonding to register such persons and organizations; to establish regulation by the State Fire Marshal; and to set penalties and fees for the administration of this rule. (7-1-93)

02. Persons Affected. This rule will affect any person, individual, partnership, joint venture, corporation, or any combination thereof, association, business trust or organized group of persons, who by himself or through others, offers to undertake, represents himself as being able to undertake, or does undertake contracting for the sale, design, installation, modification, alteration, repair, maintenance, or maintenance inspection of any fire protection sprinkler system or its appurtenances. (7-1-93)

002. -- 003. (RESERVED)

004. DEFINITIONS.

01. Fire Protection Sprinkler System. “Fire Protection Sprinkler System” means an integrated system of underground and overhead piping designed in accordance with fire protection engineering standards. This installation includes a water supply, such as a gravity tank, fire pump, reservoir or pressure tank and/or connection by underground piping to a water supply. The portion of the sprinkler system above ground is a network of specially sized, or hydraulically designed, piping installed in a building, structure or area, generally overhead, and to which sprinklers are connected in a systematic pattern. The system include a controlling valve and a device for actuating an alarm when the system is in operation. The system is usually activated by heat from a fire and discharges water over the fire area. (1-1-94)

02. Fire Protection Sprinkler Contractor. “Fire Protection Sprinkler Contractor” means those persons described in Subsection 001.02 of this rule who contract to install, repair, modify, or maintain fire sprinkler systems. (1-1-94)

03. Fitters. “Fitters” means those persons who install and maintain fire sprinkler systems and who work under the supervision of a Fire Protection Sprinkler Contractor. (7-1-93)

04. Responsible Maintenance Employee. “Responsible Maintenance Employee (RME)” means any person who is employed by an owner of a premises that has a fire sprinkler system installed and who regularly inspects and maintains such system as follows: Inspects and maintains fire sprinkler system as detailed in the maintenance checklist provided by the State Fire Marshal; said checklist will follow the guidelines of National Fire Protection Association Standard 25 for the “Inspection, Testing, and Maintenance of Water-Based Fire Protection Systems.” (5-3-03)

005. -- 010. (RESERVED)

011. POWERS AND DUTIES OF THE STATE FIRE MARSHAL.
In addition to the powers and duties prescribed in this rule, the State Fire Marshal shall: (7-1-93)

01. Assistants, Inspectors and Other Employees. Appoint an adequate number of assistants, inspectors and other employees that may be necessary to carry out the provisions of this rule, prescribe their duties,
02. Licensing Procedures. Establish procedures for licensing of fire protection sprinkler contractors and fitters, set forth the form and content of applications, and investigate and examine all applicants as to their qualifications and fitness for such licensing. (7-1-93)

03. Records. Keep records of all licenses issued, suspended or revoked. (1-1-94)

04. Suspension or Revocation of License. Suspend or revoke any license for any cause prescribed by this rule, and refuse to grant any license for any cause which would be grounds for revocation or suspension. (7-1-93)

05. Examinations. Prepare, administer, and grade such applicable examinations and tests for applicants as may be required for the purposes of this rule, and determine the score that shall be deemed a passing score. (7-1-93)

06. Fees. Collect fees, including applications, testing, licensing, renewals, and duplication fees from the applicants, and license holders for the purpose of administering and funding this rule. (7-1-93)

012. QUALIFICATIONS FOR CONTRACTORS LICENSE. Applicants seeking registration to obtain licenses as fire protection sprinkler contractors shall meet the following minimum qualifications: (7-1-93)

01. Owner, Officer or Manager. The applicant shall be an owner, officer or manager of his company, corporation, partnership or proprietorship. (7-1-93)

02. Examination, Education or Experience. The applicant must:
   a. Satisfactorily pass an examination prescribed by the State Fire Marshal and provide proof to the effect that the applicant has supervised or installed at least four (4) fire sprinkler systems of more than two hundred (200) heads each (complete with name, description and location of each); or (1-1-94)
   b. Provide proof of successful attainment of Level III Certification in fire protection, Automatic Sprinkler System Design from the National Institute for Certification in Engineering Technologies or equivalent. (1-1-94)

013. LICENSE REQUIRED.

01. Prohibition as to Unlicensed Persons. No person within the purview of this rule shall act, or assume to act, or advertise, as a fire protection sprinkler contractor without a license obtained under and in compliance with this rule. (7-1-93)

02. Conflict with Local Rule. Where there is a conflict between this rule and any code, ordinance, or rule adopted by local authority, the more stringent requirement providing the greatest fire and life safety to the public shall apply. Possession of a license does not excuse the licensee from compliance which is more stringent. (7-1-93)

014. LICENSE, DISPLAY, RENEWALS, DUPLICATES, APPLICATIONS.

01. Time Period. All licenses shall be valid for a period of not longer than one (1) year and shall expire on the 31st day of December of each year, regardless of the month issued. (7-1-93)

02. Posting of License. Each license issued pursuant to this rule shall be posted in a conspicuous place in the contractor’s place of business. (7-1-93)

03. Renewal. Any license which has not been suspended or revoked may, upon payment of the renewal fees prescribed, be renewed for an additional period of one (1) year from its expiration upon filing an application for such renewal on such forms as are prescribed by the State Fire Marshal. (7-1-93)
04. **Duplicate License.** A duplicate license may be issued for one lost, destroyed, or mutilated upon application for such a form prescribed by the State Fire Marshal and the payment of the fee prescribed. Each such duplicate license shall have the word “duplicate” stamped across the face thereof and shall bear the same number as the one it replaced. (7-1-93)

05. **Bids Shall Bear License Number.** All written bids, proposals and offers, and all shop and field installation drawings shall bear the contractor’s license number. (7-1-93)

06. **Forms and Fees.** Application for a license must be made on forms prescribed by the State Fire Marshal. Each application must be accompanied by the required fee. (7-1-93)

015. **ACTION ON APPLICATIONS AND LICENSE FEES.**
Within one hundred and twenty (120) days after the filing of a complete application for a license and the payment of the required fees, the State Fire Marshal shall:

01. **Investigation of Applicants.** Conduct an investigation of applicants, such investigation may inquire the name and address of the applicant; whether the applicant is associated in any partnership, corporation or other entity; the names, addresses, and official capacities of all such associates; and any other pertinent information as the State Fire Marshal may deem relevant. (7-1-93)

02. **Fees.** License fees for fire protection sprinkler contractors are as follows:

a. Examination Fee -- Twenty five dollars ($25). (7-1-93)

b. License Fee -- Four hundred dollars ($400). (7-1-93)

c. Annual License Renewal Fee -- One hundred dollars ($100). (7-1-93)

d. Duplicate License Fee -- Ten dollars ($10). (7-1-93)

e. Branch Office Fee -- One hundred dollars ($100). (7-1-93)

f. Examination fees, when paid, are earned and are not subject to refund. (7-1-93)

03. **Branch Office License.** Branch offices of a licensed firm doing business in this state must obtain a branch office license. Each license must provide a shop or a vehicle as a place of business properly equipped and subject to inspection by the authority. A separate license is required for each business location. Any advertisement that the services of installing or maintaining fire protection sprinkler systems constitutes prima facie evidence that the premises, building, room, shop, store, or establishment in or upon which it appears or to which it refers is a separate business location. (1-1-94)

04. **Arson, Fire, and Fraud Prevent Account.** All license fees collected shall be deposited in the Arson, Fire, and Fraud Prevention Account as per Section 41-268(d), Idaho Code. (7-1-93)

016. **FINANCIAL RESPONSIBILITY.**

01. **Bonding.**

a. The State Fire Marshal shall require each applicant, individual or corporation who is a contractor to put up a license bond in an amount not less than two thousand dollars ($2,000) in favor of the state of Idaho by a surety company authorized to do business in the state of Idaho as a surety. (7-1-93)

b. The bond shall remain in full force until released by the State Fire Marshal, or until canceled by the surety. Without prejudice to liability previously incurred thereunder, the surety may cancel the bond upon thirty (30) days advance notice to both the contractor and the State Fire Marshal. (7-1-93)
02. **Insurance.** Prior to issuance of a license as a fire protection sprinkler contractor, the applicant shall obtain and maintain at all times in full force and effect a full term comprehensive general liability insurance policy from an insurance company authorized to do business in the state of Idaho, which policy shall have aggregate limits of not less than two hundred fifty thousand dollars ($250,000) and including the following:

   a. Comprehensive Form. (7-1-93)
   b. Premises Operations. (7-1-93)
   c. Products/Completed Operations Hazard. (7-1-93)
   d. Contractual Insurance. (7-1-93)
   e. Broad Form Property Damage. (7-1-93)
   f. Independent Contractors. (7-1-93)
   g. Personal Injury. (1-1-94)
   h. Evidence of such insurance should be filed with the State Fire Marshall’s Office. (1-1-94)

017. **REVOCATION, SUSPENSION, AND NON-RENEWAL OF LICENSE.**

01. **Causes for Revocation, Suspension, or Refusal to Renew License.** The State Fire Marshal may revoke any license issued hereunder, or suspend the right of the license holder to use such license, or refuse to renew any such license for any of the following causes:

   a. Fraud, bad faith, misrepresentation, or bribery, either in securing a license or in the conduct of business under a license. (7-1-93)
   b. The making of any false statement as to a material matter in any application for license. (7-1-93)
   c. Failure by the contractor to perform his contract with the property owner. (7-1-93)
   d. The manipulation of assets or of any accounts covering the subject matter of this rule, or by fraud or bad faith. (7-1-93)
   e. Failure to display the license as provided in Subsection 013.02 of this rule. (7-1-93)
   f. Failure to secure or maintain workmen’s compensation insurance when not authorized to act as a self-insurer. (7-1-93)
   g. Knowingly entering into a contract with an unregistered contractor involving the performance of work or activity which requires a license under this rule. (7-1-93)
   h. The licensee has pled guilty to, or was found guilty of, a felony. (1-1-94)
   i. Violation of any provision of this rule. (7-1-93)

02. **Length of Suspension.** No license shall be suspended for longer than two (2) years. (7-1-93)

03. **Eligibility to Reapply After Revocation.** No person whose license is revoked shall be eligible to apply for a new license until the expiration of two (2) years. (7-1-93)

018. **HEARINGS.**

In every case where it is proposed to refuse to grant a license, revoke a license, or to refuse to renew a license, the State Fire Marshal shall give adequate notice and provide a hearing if requested. Notice of hearing shall be given in
019. APPROVED EQUIPMENT AND MATERIALS.
No component or devices of an automatic fire sprinkler system may be sold, leased, or installed in this state unless it has been approved, labeled, or listed by Underwriters Laboratories, Inc., Underwriters Laboratories of Canada, Factory Mutual Laboratories, or other testing laboratories approved by the State Fire Marshal as qualified to test such component or device. (7-1-93)

01. Sprinklers. Only new standard commercial or other listed sprinklers may be employed in the installation of a sprinkler system. (7-1-93)

02. Minimum Requirements. Automatic fire sprinkler systems installed in the State shall meet the minimum requirements of all appropriate NFPA standards, but may exceed these minimums. Partial installations required for compliance with life safety codes must be approved by the local fire department or the State Fire Marshal. (7-1-93)

020. SERVICE EVIDENCE.

01. Submission of Plans. Where automatic fire sprinkler systems are installed, the installer shall complete the contractor’s material and test certificates NFPA 13 1-10.1. All systems must be under the supervision of a contractor or a R.M.E. These persons shall cause proper tests and inspections to be made at prescribed intervals and must have general charge of all alterations and additions to the systems under their supervision. (4-11-19)

02. Conformance to Standards. A service tag conforming to the requirements of this chapter shall be attached to all systems. (7-1-93)

021. DESIGN REQUIREMENTS.

01. Submission of Plans. Detailed plans in accordance with applicable NFPA standards must be submitted by a licensed contractor for approval to the local fire department and to the State Fire Marshal. (7-1-93)

02. Conformance to Standards. The specifications must state that the installation will conform to the applicable standards listed in this rule and be approved by the local fire department and the State Fire Marshal. (7-1-93)

03. Tests. The specifications must include the specific tests required to meet the standards for approval of the local fire department and the State Fire Marshal. (7-1-93)

04. Scale. Plans must be drawn to an indicated scale or be suitably dimensioned, and must be made so that they can be easily reproduced. (7-1-93)

05. Detail. Plans must contain sufficient detail to evaluate the effectiveness of the system. (7-1-93)

06. Prior Approval of Plans. Plans must be submitted to the State Fire Marshal and the local fire department and approved, before work starts. Work may start prior to final plans submitted based on conceptual drawings if approved by the local fire department and the State Fire Marshal. A plans review fee of two dollars ($2) per sprinkler head up to one thousand (1000) heads per fire protection sprinkler system (maximum two thousand dollars ($2,000)) or one hundred dollars ($100) per fire protection sprinkler system if less than fifty (50) sprinkler heads. The applicable fee must accompany the plans sent to the State Fire Marshal. Two (2) sprinkler heads on an arm-over will be considered as one (1) sprinkler head for fee purposes. (4-11-19)

07. Corrected Plans. Where field conditions necessitate any substantial change from the approved plan, the corrected plan showing the system as installed must be submitted to the local fire department and the State Fire Marshal for approval. (7-1-93)

08. Exemption. A City or County may request, and the State Fire Marshal may grant, an exemption
from the requirements of this Section that plans be submitted to the State Fire Marshal for review and approval. A request for exemption shall be made in writing signed by the Fire Chief, his designated representative or elected local official and shall set forth the reasons for the request. If the State Fire Marshal determines the request is justified, the requesting party will be provided a written notice of exemption. The exemption will continue until terminated by the State Fire Marshal. Any such exemption shall not apply to plans or inspections relating to structures owned, leased or controlled by the state or any state agency. (4-5-00)

022. SERVICE TAG.

01. Form. Automatic fire sprinkler service tags must be in a form prescribed by the State Fire Marshal and a new tag installed each time work is performed on the system. (7-1-93)

02. Control Valve Not Electrically Supervised. In the event the control valve is not electrically supervised, the service tag must serve as a seal for the valve. (7-1-93)

03. Electrically Supervised Control Valve. In the event the control valve is electrically supervised, the service tag must be attached in such a manner that the valve may be closed for testing of the supervision without removing the tag. (7-1-93)

023. FITTERS.

All fitters, as described in Subsection 004.03 may be licensed under this rule as follows: (7-1-93)

01. Examination. Show proof by affidavit signed by a licensed fire protection sprinkler contractor that he has worked as a fitter for at least one thousand (1,000) hours per year for three (3) consecutive years and then take and pass a written examination given by the State Fire Marshal, and pay the appropriate fee. (7-1-93)

02. Fees. The State Fire Marshal shall collect in advance fees, license fees and miscellaneous charges as follows: (7-1-93)

   a. Examination Fee -- Twenty five dollars ($25). (7-1-93)
   b. Original License Fee -- Fifty dollars ($50). (7-1-93)
   c. Annual License Renewal Fee -- Twenty five dollars ($25). (7-1-93)
   d. Duplicate License Fee -- Ten dollars ($10). (7-1-93)
   e. All license fees collected shall be deposited to the Arson, Fire, and Fraud Prevention Account as per Section 41-268(d), Idaho Code. No examination will be taken or license issued pursuant to this rule until the appropriate fees, as listed above, are paid. Examination fees, when paid, are earned and are not subject to refund. (7-1-93)

03. Period of Time. No fitters license shall be valid for a period of longer than one (1) year and shall expire on the 31st day of December of each year regardless of the month issued. (7-1-93)

04. Renewal. Any license which has not been suspended or revoked may, upon payment of the renewal fee prescribed, be renewed for an additional period of one (1) year from its expiration upon filing an application for such renewal on such form as is prescribed by the State Fire Marshal. (7-1-93)

05. Duplicate License. A duplicate license may be issued for one lost, destroyed, or mutilated upon application for such on a form to be prescribed by the State Fire Marshal, and the payment of the fee prescribed. Each such duplicate license shall have the word “duplicate” stamped across the face thereof and shall bear the same number as the one it replaced. (7-1-93)

024. -- 999. (RESERVED)