

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 247

BY WAYS AND MEANS COMMITTEE

AN ACT

1 RELATING TO INSURANCE; AMENDING SECTION 41-2503, IDAHO CODE, TO ESTABLISH
2 PROVISIONS REGARDING UNDERINSURED MOTOR VEHICLE COVERAGE; AND PROVID-
3 ING EFFECTIVE DATES AND APPLICABILITY.
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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 insufficient coverage of the tortfeasor, and such underinsured motor ve-
22 hicle coverage limits may not be reduced by amounts paid by the tortfeasor's
23 coverage or any other coverage.

24 (4) The covered insured may not recover from the covered insured's own
25 policy an amount greater than the total legal liability of the tortfeasor or
26 the applicable limits of the underinsured coverage, whichever is the lesser.

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

31 SECTION 2. This act shall be in full force and effect for policies is-
32 sued on or after July 1, 2019. Policies in effect on July 1, 2019, that were
33 issued before such date shall comply with the provisions of this act by Jan-
34 uary 1, 2020, or upon renewal, whichever is earlier.