

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 474

BY BUSINESS COMMITTEE

AN ACT

1 RELATING TO INSURANCE; AMENDING SECTION 41-2503, IDAHO CODE, TO DEFINE A
2 TERM, TO PROVIDE A LIMITATION ON CERTAIN COVERAGE, TO PROVIDE CERTAIN
3 RULEMAKING AUTHORITY, AND TO MAKE TECHNICAL CORRECTIONS.
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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) With respect to policies issued or renewed on or after July 1, 2020,
21 "underinsured motor vehicle coverage" means excess coverage in addition to
22 the insufficient coverage of the tortfeasor, and such underinsured motor ve-
23 hicle coverage limits may not be reduced by amounts paid by the tortfeasor's
24 coverage or any other coverage. The covered insured may not recover from the
25 available underinsured motor vehicle policy or policies an amount greater
26 than the total legal liability of the tortfeasor or the applicable limits of
27 the underinsured coverage, whichever is less. This subsection shall not ap-
28 ply with respect to motor vehicle insurance policies in effect before July 1,
29 2020. The department of insurance is authorized to promulgate rules to im-
30 plement and enforce the provisions of this subsection.

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