

Dear Senators FOREMAN, Lenney, Ward-Engelking, and  
Representatives CLOW, Redman, Berch:

The Legislative Services Office, Research and Legislation, has received the enclosed rules of  
the Department of Insurance:

IDAPA 18.06.05 - Managing General Agents (ZBR Chapter Rewrite)-Proposed Rule (Docket No.  
18-0605-2501).

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 12/22/2025. 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 01/19/2026.

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.



**Terri Kondeff**  
Director

# Legislative Services Office

## Idaho State Legislature

---

*Serving Idaho's Citizen Legislature*

### MEMORANDUM

**TO:** Rules Review Subcommittee of the Senate Commerce & Human Resources Committee and the House Business Committee

**FROM:** Legislative Drafting Attorney - Kyle Slominski

**DATE:** December 04, 2025

**SUBJECT:** Department of Insurance

IDAPA 18.06.05 - Managing General Agents (ZBR Chapter Rewrite)-Proposed Rule (Docket No. 18-0605-2501)

#### Summary and Stated Reasons for the Rule

The Department states that the purpose of this chapter is to implement and administer provisions of the Managing General Agents Act, Chapter 15, Title 41, Idaho Code. The proposed rule updates internal references, adds references to Idaho Code, and clarifies language.

#### Negotiated Rulemaking / Fiscal Impact

Negotiated rulemaking was conducted. The Department states that there will be no negative fiscal impact on the state general fund.

#### Statutory Authority

The rulemaking appears to be authorized pursuant to Section 47-211, Idaho Code.

cc: Department of Insurance  
Weston Trexler

#### \*\*\* 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.

---

Paul Headlee, Deputy Director Legislative Services Office	Matt Drake, Manager Research & Legislation	Keith Bybee, Manager Budget & Policy Analysis	April Renfro, Manager Legislative Audits	Norma Clark, Manager Information Technology
--	---	--	---	--

Statehouse, P.O. Box 83720  
Boise, Idaho 83720-0054

Tel: 208-334-2475  
legislature.idaho.gov

# IDAPA 18 – IDAHO DEPARTMENT OF INSURANCE

## 18.06.05 – MANAGING GENERAL AGENTS

### DOCKET NO. 18-0605-2501 (ZBR CHAPTER REWRITE)

#### NOTICE OF RULEMAKING – PROPOSED RULE

**AUTHORITY:** In compliance with Section 67-5221(1), Idaho Code, notice is hereby given that this agency has initiated proposed rulemaking procedures. The action is authorized pursuant to Section 41-211, Idaho Code.

**PUBLIC HEARING SCHEDULE:** A public hearing concerning this rulemaking will be held as follows:

<b>Thursday, August 7, 2025</b> <b>2:00 p.m. – 4:00 p.m.</b>
<b>In-person participation is available at:</b> <b>Department of Insurance</b> <b>700 W. State St. 3rd Floor</b> <b>Boise, ID 83702</b>
<b>Web meeting link:</b> <a href="#">Click here to join the meeting</a> <b>Meeting ID: 237 139 719 159 3</b> <b>Passcode: jk3o9Ur2</b> <a href="#">Download Teams</a>   <a href="#">Join on the web</a>

The hearing site(s) will be accessible to persons with disabilities. Requests for accommodation must be made not later than five (5) days prior to the hearing, to the agency address below.

**DESCRIPTIVE SUMMARY:** The following is a nontechnical explanation of the substance and purpose of the proposed rulemaking:

The purpose of this chapter implements and administers provisions in the Managing General Agent Act, which includes governing qualifications and procedures for acquiring the status as a Managing General Agent.

**FEE SUMMARY:** The following is a specific description of the fee or charge imposed or increased:

No fee or charge imposed or increased.

**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 as a result of this rulemaking: None.

**NEGOTIATED RULEMAKING:** Pursuant to Section 67-5220(1), Idaho Code, negotiated rulemaking was conducted. The Notice of Intent to Promulgate Rules - Negotiated Rulemaking was published in the May 7, 2025, Idaho Administrative Bulletin, [Volume 25-5, pages 52-53](#) under docket number 18-ZBRR-2501.

**INCORPORATION BY REFERENCE:** Pursuant to Section 67-5229(2)(a), Idaho Code, the following is a brief synopsis of why the materials cited are being incorporated by reference into this rule: None.

**ASSISTANCE ON TECHNICAL QUESTIONS, SUBMISSION OF WRITTEN COMMENTS:** For assistance on technical questions concerning the proposed rule, contact Weston Trexler, (208) 334-4214, [weston.trexler@doi.idaho.gov](mailto:weston.trexler@doi.idaho.gov).

Anyone may submit written comments regarding this proposed rulemaking. All written comments must be directed to the undersigned and must be delivered on or before August 27, 2025.

DATED this 2nd day of July, 2025.

Dean L. Cameron, Director  
Idaho Department of Insurance  
700 W. State Street, 3rd Floor  
P.O. Box 83720  
Boise, ID 83720-0043  
Phone: (208) 334-4250  
Fax: (208) 334-4398

**THE FOLLOWING IS THE PROPOSED TEXT OF DOCKET NO. 18-0605-2501**  
**(ZBR Chapter Rewrite.)**

**18.06.05 – MANAGING GENERAL AGENTS (MGA)**

**000. LEGAL AUTHORITY.**

~~Managing General Agent Act (MGA Act), Title 41, Chapters 15 and 2, Section 41-211, Idaho Code. (3-31-22)( )~~

**001. TITLE AND SCOPE.**

~~IDAPA 18.06.05, "Managing General Agents." This chapter implements and administers provisions of the MGA Act Title 41, Chapter 15, Idaho Code. (3-31-22)( )~~

**002. -- 009. (RESERVED)**

**010. DEFINITIONS.**

~~01. Applicability of Statutory Definitions. The definitions contained in the MGA Act as set forth in Section 41-1502, Idaho Code, apply. (3-31-22)( )~~

**011. NOTICE PROVISIONS.**

~~01. Notice by MGA. Upon licensure and, thereafter, on or before July 1 of each year, any person, firm, association or corporation acting in the state of Idaho in the capacity of as an MGA as defined in Section 41-1502(3), Idaho Code, provides notice to the Director of the Department, which includes: (3-31-22)( )~~

~~a. A certified copy of the surety bond prescribed by Subsection 013.01 Section 41-1503(3), Idaho Code. (3-31-22)( )~~

~~b. Proof of insurance coverage as prescribed by Subsection Section 013.02. (3-31-22)( )~~

~~c. The appropriate nonrefundable designation fee prescribed by IDAPA 18.01.02. (3-31-22)~~

~~d. A list of all names and addresses of insurers doing business in the State of Idaho or Idaho domestic insurers with which the MGA has a contract and a verified statement on a form provided by the Department that the~~

contract(s) contain the provisions prescribed by [Section 41-1504, Idaho Code](#). (3-31-22)

**02. Notice by Insurer.** In addition to those items specified in [Section 41-1505\(5\), Idaho Code](#) notice by the insurer will include: ~~(3-31-22)~~( )

**a.** The name and address of the MGA; (3-31-22)

**b.** ~~Proof that the MGA has met the bonding requirements of Section 41-1503(3), Idaho Code;~~ ( )

**bc.** Proof that the MGA has met ~~the bonding and~~ insurance requirements of Section 013; ~~(3-31-22)~~( )

**ed.** Procedures and timetable for conducting an onsite review of the underwriting and claims processing operation of the MGA as prescribed by [Section 41-1505\(3\), Idaho Code](#); and (3-31-22)

**de.** The name of an officer of the insurer responsible for the contract. (3-31-22)

**012. ~~(RESERVED)~~BOND.**  
~~The bond amount, as prescribed in Section 41-1503(3), Idaho Code will be adjusted accordingly on or before July 1 of each year. Coverage cannot be written by the insurer or an affiliate of the insurer employing the MGA.~~ ( )

**013. ~~SECURITY PAYMENTS~~ERRORS AND OMISSIONS POLICY.**

**01. ~~Bond.~~** All MGAs acquire a surety bond for the protection of the insurer and insureds. ~~The bond will be in the amount of fifty thousand dollars (\$50,000) or ten percent (10%) of the amount of total funds handled within the preceding year, whichever is greater. The bond amount will be adjusted accordingly on or before July 1 of each year. Coverage cannot be written by the insurer or an affiliate of the insurer employing the MGA.~~ (3-31-22)

**02. ~~Errors and Omissions Policy.~~** All MGAs acquire and maintain an errors and omissions insurance policy providing for claims arising out of the MGA's negligent acts, errors or omission. The policy coverage limit is set at two hundred fifty thousand dollars (\$250,000) or twenty-five percent (25%) of the gross amount of direct written premiums received by an insurer for the previous calendar year that are attributable to the MGA, whichever is greater. The policy coverage limit will be adjusted accordingly on or before July 1 of each year. Unless approved by the director, coverage will not be written by the insurer or an affiliate of the insurer employing the MGA. ~~(3-31-22)~~( )

**014. INDEPENDENT AUDIT OR EXAMINATION.**

**01. Annual Independent Audit of MGA.** An independent audit by a certified public accountant is conducted annually for MGAs currently under contract; and is to be contracted for by the insurer. The independent audit will include the following: ~~(3-31-22)~~( )

**a.** Report of independent certified public accountant; (3-31-22)

**b.** Balance sheet; (3-31-22)

**c.** Statement of income; (3-31-22)

**d.** Statement of cash flow; (3-31-22)

**e.** Statement of income and retained earnings; (3-31-22)

**f.** Notes on financial statements - these notes are those prescribed by General Accepted Accounting Principals; and (3-31-22)

**g.** A copy of a management letter or a narrative statement setting forth what would have been the content of the management letter had such letter been completed. (3-31-22)

**02. Examination of MGA.** The Department retains authority to examine an MGA notwithstanding the termination of the MGA's contractual authority. Pursuant to the provisions of [Title 41, Chapter 2, Idaho Code](#), ~~the expense of such examination is to be reimbursed to the Department by~~ the insurer employing the MGA ~~reimburses the Department for the expense of such examination.~~ [reimburses the Department for the expense of such examination.](#) (3-31-22)( )

**015. TERMINATION OF CONTRACT.**

**01. Notice to the Department.** Notice of the termination of an agreement between an MGA and an insurer for which the MGA was conducting business in the state of Idaho will include the name of the person, ~~firm, association or corporation~~ acting as an MGA under the terms of the contract and the basis for the termination. (3-31-22)( )

**02. Delivery of Records to Insurer upon Termination of Contract.** If the contract between an insurer and an MGA is terminated for any reason, the MGA will, upon request by the insurer, deliver all records to the insurer within ninety (90) days of the request. (3-31-22)

**016. -- 999. (RESERVED)**