

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 618

BY BUSINESS COMMITTEE

AN ACT

1 RELATING TO INSURANCE; AMENDING CHAPTER 24, TITLE 41, IDAHO CODE, BY THE AD-
2 DITION OF A NEW SECTION 41-2402, IDAHO CODE, TO ESTABLISH PROVISIONS RE-
3 GARDING TRANSPARENCY REQUIREMENTS FOR FIRE INSURERS; AND DECLARING AN
4 EMERGENCY AND PROVIDING AN EFFECTIVE DATE.
5

6 Be It Enacted by the Legislature of the State of Idaho:

7 SECTION 1. That Chapter 24, Title 41, Idaho Code, be, and the same is
8 hereby amended by the addition thereto of a NEW SECTION, to be known and des-
9 ignated as Section 41-2402, Idaho Code, and to read as follows:

10 41-2402. FIRE INSURERS -- TRANSPARENCY REQUIREMENTS. (1) A fire in-
11 surer shall submit complete rate filings to the director of the department
12 of insurance at least sixty (60) days prior to use. If the fire insurer uses
13 a wildfire risk model, catastrophe model, or wildfire risk scoring method to
14 assign risk, the insurer's filing shall not be considered complete unless
15 such wildfire risk model, catastrophe model, or wildfire risk scoring method
16 used to assign risk is included, along with a description of the model, the
17 impact of the model on rates, an actuarial justification for all rating
18 factors, mitigation discounts offered, and an explanation of the use of the
19 model in underwriting decisions.

20 (2) A fire insurer shall make available and readily accessible on its
21 public website information on any premium discounts, incentives, or other
22 premium adjustments that are available to policyholders who undertake prop-
23 erty-specific mitigation actions or provide evidence of community-level
24 mitigation actions and the process for appealing a wildfire risk score. The
25 website shall identify, as applicable:

26 (a) Property-specific mitigation actions for the policyholder to un-
27 dertake and community-level mitigation actions that could result in a
28 discount, incentive, or other premium adjustment; and

29 (b) The amount of the discount, incentive, or other premium adjustment
30 associated with each action.

31 (3) An insurer that provides a mitigation discount or that uses a wild-
32 fire risk model or risk score to underwrite, nonrenew, price, create a rate
33 differential, or surcharge the premium based on the policyholder's or ap-
34 plicant's wildfire risk shall provide an annual written notice to each pol-
35 icyholder or applicant upon application for property insurance of the ap-
36 plicable mitigation discounts, the wildfire risk score, and any other wild-
37 fire risk classification used by the insurer to underwrite, nonrenew, price,
38 create a rate differential, or surcharge the premium based on the policy-
39 holder's or applicant's wildfire risk. Such notice shall include:

40 (a) A plain-language explanation of the wildfire risk score or other
41 wildfire risk classification, including an explanation that insurers

1 may use different models and have different risk score ranges that could
2 result in different risk scores from other insurers;

3 (b) The range of scores or classifications that could potentially be
4 assigned to the property;

5 (c) The relative position of the score or classification assigned to
6 the property within that range of possible scores or classifications
7 provided by the insurer's risk model;

8 (d) A written explanation of why the policyholder or applicant received
9 the assigned score or classification that identifies the primary fea-
10 tures of the property that influenced the assignment of the score or
11 classification; and

12 (e) The impact, if any, that each property-specific or community-level
13 mitigation action could have on a wildfire risk score or classification
14 assigned to the property.

15 (4) An insurer shall provide the wildfire risk score or classification:

16 (a) To an applicant, no later than fifteen (15) days after the submis-
17 sion of the applicant's completed application to the insurer;

18 (b) To a policyholder, in the offer of renewal;

19 (c) To a policyholder that is not being offered a renewal, with the non-
20 renewal notice; and

21 (d) To a policyholder or applicant, if that policyholder or applicant
22 has completed a property-specific mitigation action or provides evi-
23 dence of a community-level mitigation action in sufficient proximity to
24 the property to reduce the risk of loss since the time of the application
25 to or renewal by the insurer, no later than thirty (30) days after the
26 submission to the insurer of the policyholder's or applicant's request
27 that the insurer provide a revised wildfire risk score or classifica-
28 tion.

29 (5) (a) The department of insurance shall annually collect informa-
30 tion from fire insurers regarding Idaho-specific exposures, premiums,
31 claims, and related information. The department shall determine the
32 applicability, scope, method, and exact data requested for such annual
33 data collection.

34 (b) Any documents created from the data collected by the department of
35 insurance pursuant to this section that are not anonymized and aggre-
36 gated shall be exempt from disclosure under public records law as pro-
37 prietary information.

38 (6) No later than January 1, 2027, the department shall make available
39 on its public website information to educate consumers, including but not
40 limited to:

41 (a) Anonymized and aggregated data from the annual data collection pur-
42 suant to subsection (5) of this section; and

43 (b) Basic information regarding fire or property insurance, such
44 as coverage availability, exclusions, premiums, and mitigation dis-
45 counts.

46 (7) The department of insurance may promulgate rules, subject to leg-
47 islative approval, to carry out the provisions of this section.

48 SECTION 2. An emergency existing therefor, which emergency is hereby
49 declared to exist, this act shall be in full force and effect on and after
50 July 1, 2026.