

Dear Senators COOK, Lenney, Ward-Engelking, and
Representatives CLOW, Ehlers, Berch:

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

IDAPA 18.01.02 - Schedule of Fees, Licenses, and Miscellaneous Charges (ZBR Chapter Rewrite,
Fee Rule) - Proposed Rule (Docket No. 18-0102-2301).

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 10/19/2023. 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 11/16/2023.

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: Senior Legislative Drafting Attorney - Jill Randolph

DATE: October 2, 2023

SUBJECT: Department of Insurance

IDAPA 18.01.02 - Schedule of Fees, Licenses, and Miscellaneous Charges (ZBR Chapter Rewrite, Fee Rule) - Proposed Rule (Docket No. 18-0102-2301)

Summary and Stated Reasons for the Rule

The Department of Insurance submits notice of proposed rulemaking at IDAPA 18.01.02. The Department notes this is Zero-Based Regulation ("ZBR") chapter rewrite pursuant to Executive Order 2020-01. Accordingly, the Department states this rulemaking is intended to streamline and simplify existing rules previously submitted and reviewed by the Legislature regarding amounts to be collected for insurance fees, licenses, and miscellaneous charges. There are three changes to existing fees and one omission in the docket. The existing fee for purchasing groups is reduced, while the fees for life settlement brokers and independent review organizations are increased. The omission in the docket is the proposed fee for pharmacy benefit managers which should have been proposed at IDAPA 18.01.02.030.01.k. The agency has been notified of this omission and are aware of the procedures for correction.

Negotiated Rulemaking / Fiscal Impact

The agency states that negotiated rulemaking was conducted. The Notice of Intent to Promulgate Rules - Negotiated Rulemaking was published in the June 7, 2023 edition of the Idaho Administrative Bulletin. There is no anticipated negative fiscal impact to the General Fund.

Statutory Authority

This rulemaking appears to be authorized pursuant to Sections 41-211 and 41-401, Idaho Code.

cc: Department of Insurance
Weston Trexler

*** PLEASE NOTE ***

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

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

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

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.

IDAPA 18 – DEPARTMENT OF INSURANCE

18.01.02 – SCHEDULE OF FEES, LICENSES, AND MISCELLANEOUS CHARGES

DOCKET NO. 18-0102-2301 (ZBR CHAPTER REWRITE, FEE RULE)

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 Sections 41-211 and 41-401, Idaho Code.

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

Wednesday, September 27, 2023 3:00 p.m. to 4:30 p.m. (MT)
<i>In-person participation is available at:</i> Department of Insurance 700 W. State St. 3rd Floor Boise, ID 83702
<i>Web meeting link:</i> https://www.microsoft.com/microsoft-teams/join-a-meeting <i>Meeting ID: 297 636 144 490 Meeting Password: 345BQf or by phone: +1 208-985-2810,,826046050#</i>

The hearing sites 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 rule provides amounts to be collected for insurance fees, licenses, and miscellaneous charges. This rulemaking is consistent with the Governor's [Executive Order 2020-01: Zero-Based Regulation](#). The substantive change is to reduce one registration fee and to add a registration fee for Pharmacy Benefit Managers, which started registering with the Department in 2021. Other proposed changes are to simplify, clarify, and reduce.

FEE SUMMARY: The following is a specific description of the fee or charge imposed or increased: One existing registration fee is reduced from \$100 to \$40, and one registration fee of \$300 is added for Pharmacy Benefit Managers, which started registering with the Department in 2021.

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 June 7, 2023 Idaho Administrative Bulletin, [Vol. 23-06, pages 56-57](#), under Docket No. 18-ZBRR-2301.

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: N/A.

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.

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 September 27, 2023.

DATED this 3rd day of August, 2023.

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 FEE DOCKET NO. 18-0102-2301
(ZBR Chapter Rewrite)

18.01.02 – SCHEDULE OF FEES, LICENSES, AND MISCELLANEOUS CHARGES

000. LEGAL AUTHORITY.

~~Title 41, Chapters 2 and 4, Idaho Code, Idaho Code~~ Sections 41-211 and 41-401, Idaho Code. (3-23-22)(____)

001. SCOPE.

~~The purpose of this rule is to~~ provides for the amounts to be collected for fees, licenses and miscellaneous charges. (3-23-22)(____)

~~002. -- 010.~~ (RESERVED)

~~011. FEES PAYABLE IN ADVANCE.~~

~~The director will collect in advance fees, licenses, and miscellaneous charges as outlined in this rule.~~ (3-23-22)

~~012. -- 019.~~ (RESERVED)

020. INSURER OR OTHER ENTITY ANNUAL CONTINUATION FEES.

01. Annual Continuation Fee. No later than March 1 each year, All each insurers ~~and or~~ other entities listed under (set forth in Section 020)2, licensed, listed, or approved to do business in ~~the state of~~ Idaho will pay an annual continuation fee ("ACF"). The ACF covers March through the following February. (3-23-22)(____)

a. The annual continuation fee is due on March 1st each year and is payment of the insurer's fees due through the following February. (3-23-22)

ba. The ~~annual continuation fee~~ ACF is charged at the time the insurer or other entity applies for admission to do business in the state of Idaho. ~~If the application is approved, the fee paid will cover the insurer's fees through the following February.~~ (3-23-22)(____)

b. The ACF is the reinstatement fee referenced in Section 41-324(3), Idaho Code. ()

c. The ACF provides for but is not limited to: renewal of the certificate of authority or license, or annual registration; all filings required of insurers or other entities not expressly subject to a fee; agent appointment and renewals; arson, fire, and fraud investigation costs or examination expenses, notwithstanding Subsection 020.01.d. ()

d. The ACF does not provide for, or will not exempt the insurer or entity from: fees listed under Sections 030 and 040; penalties or fines levied by or payable to the Department; any express authority in Idaho Code that allows charges or expenses may be paid or reimbursed to the Department, such as for investigation, examination, engaging experts and consultants, or Attorney's costs incurred by the Department. ()

02. **Failure to Pay Fee.** Failure to pay the ACF by March 1 each year will result in the expiration of the insurer's or other entity's authority to do business in Idaho pursuant to Section 41-324, Idaho Code. ()

021. INSURER FEE.

02. ~~Fee for Insurers.~~ For all insurance companies receiving An insurer with a certificate of authority pursuant to Title 41, Chapter 3, Idaho Code, ~~the will pay the annual continuation fee ACF is~~ as follows: (3-23-22)()

a01. **Surplus is Less Than 10 Million Dollars (\$10,000,000).** If ~~insurer's~~ policy holders' surplus at the preceding December 31 is less than ten million dollars (\$10,000,000) - One thousand dollars (\$1,000). (3-23-22)()

b02. **Surplus is 10 Million Dollars (\$10,000,000) or More.** If ~~insurer's~~ policy holders' surplus 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). (3-23-22)()

e03. **Surplus is One Hundred Million Dollars (\$100,000,000) or More.** If ~~insurer's~~ policy holders' surplus at the preceding December 31 is one hundred million (\$100,000,000) or greater - Four thousand five hundred dollars (\$4,500). (3-23-22)()

022. OTHER ENTITY FEE.

03. ~~Fees of Other Entities.~~ The following entities will be assessed an ~~annual continuation fee ACF of:~~ (3-23-22)()

a01. Five hundred dollars (\$500); (3-23-22)()

ia. All reinsurers, ~~listed pursuant to~~ under Section 41-515, Idaho Code. (3-23-22)()

ib. Authorized surplus line insurers. ()

ic. County mutual insurers. ()

id. Fraternal benefit societies. ()

ie. Hospital and/or professional service corporations. ()

if. Self-funded health care plans. ()

ig. Domestic Risk retention groups. ()

ih. Petroleum clean water trusts. ()

- ~~ix~~i. Rating organizations. ()
 - ~~x~~j. Advisory organizations. ()
 - ~~b02~~. ~~One hundred~~ **Forty** dollars (~~\$100~~**40**): Purchasing groups. (3-23-22)()
 - ~~04~~. ~~Fees Provide~~. The annual continuation fee includes, but is not limited to, the following: (3-23-22)
 - ~~a~~. Certificate of authority renewal, license renewal, and annual registration. (3-23-22)
 - ~~b~~. Arson, fire and fraud investigation costs. (3-23-22)
 - ~~c~~. Annual statement filing. (3-23-22)
 - ~~d~~. Agent appointment and renewal of appointment. (3-23-22)
 - ~~e~~. Filings under Title 41, Chapter 38, Idaho Code, Acquisitions of Control and Insurance Holding Company Systems. (3-23-22)
 - ~~f~~. Filing of amendments to Articles of Incorporation. (3-23-22)
 - ~~g~~. Filing of amendments to Bylaws. (3-23-22)
 - ~~h~~. Amendments to Certificate of Authority. (3-23-22)
 - ~~i~~. Filing of notice of significant transactions pursuant to Section 41-345, Idaho Code. (3-23-22)
 - ~~j~~. Quarterly statement filing. (3-23-22)
 - ~~k~~. Examination expenses. (3-23-22)
 - ~~05~~. ~~Not Provided in Fees~~. Payment of the annual continuation fee will not exempt the insurer or entity from the following: (3-23-22)
 - ~~a~~. Fees for application for producer license. (3-23-22)
 - ~~b~~. Costs incurred by the Department for investigation of an applicant for producer license. (3-23-22)
 - ~~c~~. Attorney's fees and costs incurred by the Department when allowed pursuant to Idaho Code. (3-23-22)
 - ~~d~~. Costs incurred for experts and consultants when allowed by Idaho Code. (3-23-22)
 - ~~e~~. Penalties or fines levied by or payable to the Department of Insurance. (3-23-22)
 - ~~f~~. All fees set forth under Section 040. (3-23-22)
 - ~~06~~. ~~Failure to Pay Fee~~. Failure to pay the annual continuation fee on or before March 1st each year will result in the expiration of the insurer's or entity's authority to do business in the state of Idaho pursuant to Section 41-324, Idaho Code. (3-23-22)
 - ~~07~~. ~~Reinstatement Fee~~. The reinstatement fee referenced in Section 41-324(3), Idaho Code, is the amount referenced above for the insurer or entity continuation fee. (3-23-22)
- ~~024~~3. -- 029. (RESERVED)
030. PRODUCER **LICENSE** AND **MISCELLANEOUS LICENSING FEES** **RELATED FEES**.

01. **Original License Application.** The following fees ~~are~~ is due at the time of original ~~and need to be paid with the filing~~ application for the following original license types: (3-23-22)()

- a. Third party Administrators -- three hundred dollars (\$300). (3-23-22)()
- b. Producers, including limited line producers -- eighty dollars (\$80). (3-23-22)()
- c. Designation as a mManaging general agent -- eighty dollars (\$80). (3-23-22)()
- d. Adjusters, independent and or public adjusters -- eighty dollars (\$80). (3-23-22)()
- e. Reinsurance intermediary -- eighty dollars (\$80). ()
- f. Surplus line brokers -- eighty dollars (\$80). ()
- g. Life settlement providers -- five hundred dollars (\$500). ()
- h. Life settlement brokers -- three hundred dollars (\$300). ()
- i. Independent review organization -- five hundred dollars (\$500). ()
- j. Vendor of portable electronics insurance, a separate type of limited lines producer: (3-23-22)()
 - i. A vendor of portable electronic insurance who is engaged in portable electronic transactions at ~~m~~More than ten (10) locations in the state of Idaho -- one thousand dollars (\$1,000). (3-23-22)()
 - ii. A vendor of portable electronic insurance who is engaged in portable electronic transactions at ~~T~~en (10) or fewer locations in the state of Idaho -- one hundred dollars (\$100). (3-23-22)()

02. **Examination Fees.** Each time a producer or adjuster's licensing examination is taken ~~for licensing~~ under per Title 41, Chapters 10 and 11, Idaho Code, the applicant may pay a fee to a third-party testing vendor in the amount established by contract between the ~~e~~D department and the vendor. (3-23-22)()

03. **Fingerprinting-Processing.** ~~Processing~~ Fingerprintings (as applicable) -- not to exceed eighty dollars (\$80). (3-23-22)()

04. **License Renewal.** The following renewal fees are due owed either annually or biannually and due as indicated in the Department's renewal form ~~and need to be paid for each license to renew or continue for each of the following license types~~: (3-23-22)()

- a. Third Party Administrators (biennial) -- eighty dollars (\$80). ()
- b. Producers, including limited lines producers (biennial) -- eighty dollars (\$80), or sixty dollars (\$60) if renewed electronically. ()
- c. Managing general agent (annual) -- eighty dollars (\$80). ()
- d. Adjusters, independent or public (biennial) -- eighty dollars (\$80), or sixty dollars (\$60) if renewed electronically. ()
- e. Surplus line brokers (biennial) -- eighty dollars (\$80), or sixty dollars (\$60) if renewed electronically. ()
- f. Life settlement providers (biennial) -- three hundred dollars (\$300). ()

- ~~g. Life settlement brokers (biennial) -- one hundred dollars (\$100). ()~~
- ~~h. Independent review organization (biennial) -- five hundred dollars (\$500). ()~~
- ~~i. Vendor of portable electronics insurance, a separate type of limited lines producer with (biennial): ()~~
- ~~i. More than ten (10) locations in the state of Idaho -- five hundred dollars (\$500). ()~~
- ~~ii. Ten (10) or fewer locations in the state of Idaho -- one hundred dollars (\$100). ()~~
- ~~a. Adjusters, public adjusters, and producers (biennial) -- eighty dollars (\$80), or sixty dollars (\$60) if renewed electronically. (3-23-22)~~
- ~~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). (3-23-22)~~
- ~~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). (3-23-22)~~
- ~~b. Redesignation as managing general agent (annual) -- eighty dollars (\$80). (3-23-22)~~
- ~~e. Administrators (biennial) -- eighty dollars (\$80). (3-23-22)~~
- ~~i. Renewal form is filed on or before December 31. (3-23-22)~~
- ~~ii. Any renewal form postmarked after December 31 includes a penalty in an amount equal to the renewal fee. (3-23-22)~~
- ~~iii. A renewal form postmarked after January 31 needs to be submitted as a new application with supporting documents and the full application fee. (3-23-22)~~
- ~~d. Surplus line brokers (biennial) -- eighty dollars (\$80), or sixty dollars (\$60) if renewed electronically. (3-23-22)~~
- ~~e. Life settlement providers (biennial) -- three hundred dollars (\$300). (3-23-22)~~
- ~~f. Life settlement brokers (biennial) -- eighty dollars (\$80). (3-23-22)~~
- ~~g. Independent review organization (biennial) -- three hundred dollars (\$300). (3-23-22)~~

031. -- 039. (RESERVED)

040. MISCELLANEOUS ~~FEES~~ CHARGES.

- 01. Certified Copy.** Certified copy of certificate of authority, license or registration - Fifty dollars (\$50). ()
- 02. Certificate Under Seal.** Director's certificate under seal ~~(except for those under Subsection 040.01 of this rule)~~ Twenty dollars (\$20). ~~(3-23-22)~~ ()
- 03. Documents Filed.** For each copy of a document filed in the DOI, 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. ~~(3-23-22)~~
- 043. Insurer Service of Process.** For receiving and forwarding copy a of summons or other process

served upon the director as process agent of an insurer -- Thirty dollars (\$30).

~~(3-23-22)~~()

054. Agent Service of Process. For receiving and forwarding a 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).

~~(3-23-22)~~()

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

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041. -- 049. (RESERVED)

050. REFUNDS.

All fees, ~~licenses~~, and miscellaneous charges are non-refundable except as noted.

~~(3-23-22)~~()

051. OVERPAYMENTS.

Overpayments of published fees will be returned only when such overpayments exceed twenty dollars (\$20), or upon request of the payor.

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052. -- 999. (RESERVED)

PROPOSED RULE COST/BENEFIT ANALYSIS

Section 67-5223(3), Idaho Code, requires the preparation of an economic impact statement for all proposed rules imposing or increasing fees or charges. This cost/benefit analysis, which must be filed with the proposed rule, must include the reasonably estimated costs to the agency to implement the rule and the reasonably estimated costs to be borne by citizens, or the private sector, or both.

Department or Agency: 280 – Department of Insurance _____

Agency Contact: Weston Trexler _____ **Phone:** 208-334-4214 _____

Date: August 7, 2023 _____

IDAPA, Chapter and Title Number and Chapter Name:

[IDAPA 18.01.02, SCHEDULE OF FEES, LICENSES, AND MISCELLANEOUS CHARGES](#) _____

Fee Rule Status: Proposed _____ Temporary

Rulemaking Docket Number: 18-0102-2301 _____

STATEMENT OF ECONOMIC IMPACT:

As per Section 41-349, Idaho Code, the Department of Insurance currently registers 48 Pharmacy Benefit Managers. With the passage of H215 (2023), the Department of Insurance recommends applying the same registration fee as similar entities and therefore proposes IDAPA 18.01.02 to apply a \$300 registration fee (See 18.01.02.030.01.k) for those Pharmacy Benefit Managers. The Department of Insurance estimates it would generate an additional \$14,400 annually from this new fee.

Additionally, the Department of Insurance proposes changing the fee for Purchasing Groups from \$100 annually to \$40 annually (See 18.01.02.022.02). There are 244 active Purchasing Groups. Lowering this fee would decrease the Department's fee collection by an estimated \$14,640 annually.

Therefore, the estimated net impact to these two fee changes is negligible, at negative \$240 annually.