

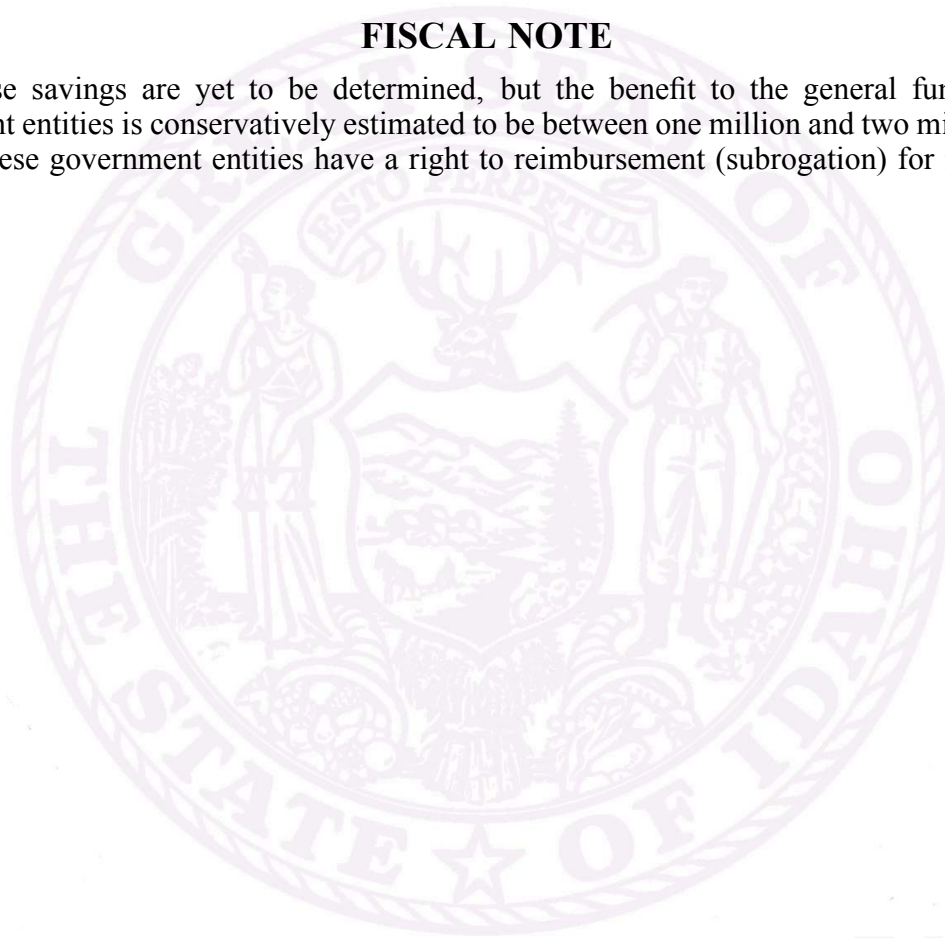
STATEMENT OF PURPOSE

RS24536C1

This bill provides that if injured drivers have purchased supplementary or "backup" automobile insurance (underinsurance) for accident-related claims, their own insurance company cannot do any offsets from the face amount of the policy after the accident. This bill requires that all insurance companies sell only "full-value" underinsured motorist coverage, without "offsets" or reductions by the amount that an at-fault driver's insurance pays. Most insurance contracts require such reductions. At present in Idaho, only State Farm sells this "full-value" insurance. This bill will correct this inequity, guaranteeing that injured people have access to the full amount of the underinsured motorist coverage they purchased.

FISCAL NOTE

The precise savings are yet to be determined, but the benefit to the general fund and other government entities is conservatively estimated to be between one million and two million dollars, because these government entities have a right to reimbursement (subrogation) for medical bills paid.



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