

Dear Senators PATRICK, Guthrie, Ward-Engelking, and
Representatives BARBIERI, Clow, Smith:

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

IDAPA 18.01.02 - Insurance Policy Titles - Proposed Rule (Docket No. 18-0102-1701);

IDAPA 18.01.08 - Filing of Life Policy Forms - Proposed Rule (Docket No. 18-0108-1701);

IDAPA 18.01.20 - Cancellation of, or Refusal to Renew Automobile Insurance Policies - Proposed
Rule (Docket No. 18-0120-1701);

IDAPA 18.01.22 - Sale of Insurance by Vending Machines - Proposed Rule (Docket No.
18-0122-1701);

IDAPA 18.01.25 - Title Insurance and Title Insurance Agents and Escrow Officers - Proposed Rule
(Docket No. 18-0125-1701).

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 10/06/2017. 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 11/06/2017.

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 334-4834, or send a written request to the address on the
memorandum attached below.



Eric Milstead
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: Deputy Division Manager - Katharine Gerrity

DATE: September 19, 2017

SUBJECT: Department of Insurance

IDAPA 18.01.02 - Insurance Policy Titles - Proposed Rule (Docket No. 18-0102-1701)

IDAPA 18.01.08 - Filing of Life Policy Forms - Proposed Rule (Docket No. 18-0108-1701)

IDAPA 18.01.20 - Cancellation of, or Refusal to Renew Automobile Insurance Policies - Proposed Rule (Docket No. 18-0120-1701)

IDAPA 18.01.22 - Sale of Insurance by Vending Machines - Proposed Rule (Docket No. 18-0122-1701)

IDAPA 18.01.25 - Title Insurance and Title Insurance Agents and Escrow Officers - Proposed Rule (Docket No. 18-0125-1701)

1. IDAPA 18.01.02 - Insurance Policy Titles

The Idaho Department of Insurance submits notice of proposed rule at IDAPA 18.01.02 - Insurance Policy Titles. According to the department, the purpose of the rule is to repeal the chapter. The department notes that the existing rule consists of one sentence barring the approval of any life insurance policy bearing a name which is misleading or confusing. The department states that such policies are already prohibited by Section 41-1813, Idaho Code, and the rule is therefore redundant. Negotiated rulemaking was conducted. The rulemaking appears to be authorized pursuant to Section 41-211, Idaho Code.

2. IDAPA 18.01.08 - Filing of Life Policy Forms

The Idaho Department of Insurance submits notice of proposed rule at IDAPA 18.01.08 - Filing of Life Policy Forms. According to the department, the purpose of the rule is to repeal the chapter. The department states that the existing rule is outdated and that filings are made pursuant to Sections 41-1812 and 41-1813, Idaho Code. Negotiated rulemaking was conducted. The rulemaking appears to be authorized pursuant to Section 41-211, Idaho Code.

Mike Nugent, Manager
Research & Legislation

Paul Headlee, Manager
Budget & Policy Analysis

April Renfro, Manager
Legislative Audits

Glenn Harris, Manager
Information Technology

3. IDAPA 18.01.20 - Cancellation of, or Refusal to Renew Automobile Insurance Policies

The Idaho Department of Insurance submits notice of proposed rule at IDAPA 18.01.20 - Cancellation of, or Refusal to Renew Automobile Insurance Policies. According to the department, Section 41-2502, Idaho Code, requires that insurers offer uninsured and underinsured auto coverage to Idaho consumers and also provides that a consumer can reject such coverage in writing when the policy is first purchased. The department notes that during the 2017 Legislative Session, legislators considered proposed amendments to Sections 41-2502 or 41-2503, Idaho Code, and then suggested that the Director meet with industry members to consider alternatives that might better serve Idahoans. The department conducted negotiated rulemaking resulting in the proposed rule.

The proposed rule provides a standard statement regarding uninsured and underinsured motorist coverage which carriers must begin using no later than January 1, 2019. The rulemaking appears to be authorized pursuant to Section 41-211, Idaho Code.

4. IDAPA 18.01.22 - Sale of Insurance by Vending Machines

The Idaho Department of Insurance submits notice of proposed rule at IDAPA 18.01.22 - Sale of Insurance by Vending Machines. According to the department, the purpose of the rule is to repeal the chapter. The department states that the existing rule dates back to 1979, is not currently monitored by the department and no licenses currently exist or are expected. The department adds that internet options replace this mode of accessibility for the public, as well as provisions on credit cards for limited travel insurance. Negotiated rulemaking was conducted. The rulemaking appears to be authorized pursuant to Section 41-211, Idaho Code.

5. IDAPA 18.01.25 - Title Insurance and Title Insurance Agents and Escrow Officers

The Idaho Department of Insurance submits notice of proposed rule at IDAPA 18.01.25 - Title Insurance and Title Insurance Agents and Escrow Officers. According to the department, the rulemaking amends language to make title insurance policy cancellation fees permissive rather than mandatory because there are various scenarios where it seems inappropriate to charge a cancellation fee. Negotiated rulemaking was conducted. The rulemaking appears to be authorized pursuant to Section 41-211, Idaho Code.

cc: Department of Insurance
Thomas A. Donovan

IDAPA 18 – IDAHO DEPARTMENT OF INSURANCE

18.01.02 – INSURANCE POLICY TITLES

DOCKET NO. 18-0102-1701 (CHAPTER REPEAL)

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(s) 41-211, Idaho Code.

PUBLIC HEARING SCHEDULE: Public hearing(s) concerning this rulemaking will be scheduled if requested in writing by twenty-five (25) persons, a political subdivision, or an agency, not later than September 20, 2017.

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 existing rule consists of one sentence barring the approval of any life insurance policy bearing a name which is misleading or confusing. Such policies are already prohibited by section 41-1813, Idaho Code. IDAPA 18.01.02 is not necessary as it does not add anything of value in understanding or effectuating section 41-1813, Idaho Code, or other provisions of Title 41, Idaho Code. This rulemaking proposes to repeal this rule.

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

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 resulting from this rulemaking: N/A

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 July 5, 2017, Idaho Administrative Bulletin, [Volume 17-7, p. 60](#).

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 Wes Trexler, weston.trexler@doi.idaho.gov (208) 334-4315. Anyone may submit written comments regarding this proposed rulemaking. All written comments must be directed to the undersigned and must be delivered either by hard copy or via email to the same email address for questions set forth above on or before September 27, 2017.

DATED this 31st day of July, 2017.

Dean L. Cameron, Director
Idaho Department of Insurance
700 W. State Street, 3rd Floor
P.O. Box 83720
Boise, ID 83702-0043
Phone: (208) 334-4250 / Fax: (208) 334-4398

IDAPA 18.01.02 IS BEING REPEALED IN ITS ENTIRETY

IDAPA 18 – IDAHO DEPARTMENT OF INSURANCE

18.01.08 – FILING OF LIFE POLICY FORMS

DOCKET NO. 18-0108-1701 (CHAPTER REPEAL)

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: Public hearing(s) concerning this rulemaking will be scheduled if requested in writing by twenty-five (25) persons, a political subdivision, or an agency, not later than September 20, 2017.

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 rule, which was originally adopted in 1962, calls for life policy forms to be submitted to the Department “in duplicate.” Policy forms have long been submitted electronically through the System for Electronic Rate and Form Filings (SERFF). IDAPA 18.01.08 is not necessary for the effectuation of Title 41, Idaho Code. Other provisions of this rule related to filing of rating formulas and specimens are also unnecessary because filings are made per Idaho Code §§ 41-1812 and 41-1813 and in light of substantive provisions in Title 41, Chapter 19, Idaho Code. This rulemaking proposes to repeal this rule.

FEE SUMMARY: The following is a specific description of the fee or charge imposed or increased: N/A.

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 resulting from this rulemaking: N/A.

NEGOTIATED RULEMAKING: Pursuant to Section 67-5220(1), Idaho Code, negotiated rulemaking was conducted. The Notice of Intent to Promulgate Rules - Negotiated Rulemaking published in the July 5, 2017, Idaho Administrative Bulletin, [Volume 17-7, p. 61](#).

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 Wes Trexler, weston.trexler@doi.idaho.gov (208) 334-4315. Anyone may submit written comments regarding this proposed rulemaking. All written comments must be directed to the undersigned and must be delivered either by hard copy or via email to the same email address for questions set forth above on or before September 27, 2017.

DATED this 31st day of July, 2017.

Dean L. Cameron, Director
Idaho Department of Insurance
700 W. State Street, 3rd Floor
P.O. Box 83720
Boise, ID 83702-0043
Phone: (208) 334-4250 / Fax: (208) 334-4398

IDAPA 18.01.08 IS BEING REPEALED IN ITS ENTIRETY

IDAPA 18 – IDAHO DEPARTMENT OF INSURANCE

18.01.20 – CANCELLATION OF, OR REFUSAL TO RENEW AUTOMOBILE INSURANCE POLICIES

DOCKET NO. 18-0120-1701

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: Public hearing(s) concerning this rulemaking will be scheduled if requested in writing by twenty-five (25) persons, a political subdivision, or an agency, not later than September 20, 2017.

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:

Idaho Code Section 41-2502 requires that insurers offer uninsured and underinsured auto coverage to Idaho consumers and also provides that a consumer can reject such coverage in writing when the policy is first purchased. Subsection (3) of this section also provides that the insurer provide a statement approved by the Director of the Department of Insurance explaining both types of coverage and the types of underinsured coverage that might be available in Idaho. The department fulfilled this directive initially by publishing Bulletin 08-08. Recently there has been discussion about whether consumers are adequately protected under the status quo. In 2017, there were three bills (H0163, S1048, and S1078) that considered proposing amendments to Idaho Code Sections 41-2502 or 41-2503 (the latter section containing definitions). Legislators suggested that the Director meet with industry to consider alternatives that might better serve Idahoans. Pursuant to negotiated rulemaking, a public meeting was held and written comments were received resulting in this proposed rule.

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

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 resulting from this rulemaking: N/A

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 July 5, 2017, Idaho Administrative Bulletin, [Volume 17-7, p. 62](#).

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 Tom Donovan, tom.donovan@doi.idaho.gov (208) 334-4214.

Anyone may submit written comments regarding this proposed rulemaking. All written comments must be directed to the undersigned and must be delivered either by hard copy or via email to the same email address for questions set forth above on or before September 27, 2017.

DATED this 2nd day of August, 2017.

Dean L. Cameron, Director
Idaho Department of Insurance
700 W. State Street, 3rd Floor
P.O. Box 83720, Boise, ID 83702-0043
Phone: (208) 334-4250 / Fax: (208) 334-4398

THE FOLLOWING IS THE PROPOSED TEXT OF DOCKET NO. 18-0120-1701
(Only Those Sections With Amendments Are Shown.)

IDAPA 18
TITLE 01
CHAPTER 20

18.01.20 - ~~CANCELLATION OF, OR REFUSAL TO RENEW~~ AUTOMOBILE INSURANCE POLICIES

000. LEGAL AUTHORITY.

Title 41, Chapter 25, Idaho Code; Title 67, Chapter 52, Idaho Code.

(7-1-93)

001. TITLE AND SCOPE.

01. Title. These rules shall be cited in full as Idaho Department of Insurance Rules, IDAPA 18.01.20, "Automobile Insurance Policies." ()

012. Purpose. The purpose of this Rule is to provide guidelines that will assist in the implementation and uniform interpretation of the following Sections of the Idaho ~~Insurance Laws that were recently enacted by the Fortieth Session of the Idaho State Legislature and which became effective May 26, 1969, at 8 pm~~ Code. (7-1-93)()

a. Section 41-2506 - Cancellation of Policies - Definitions. (7-1-93)

b. Section 41-2507 - Cancellation of Policies - Grounds. (7-1-93)

c. Section 41-2508 - Notice of Cancellation or Intention not to Renew. (7-1-93)

d. Section 41-2509 - Cancellations and Non-Renewals - Exceptions. (7-1-93)

e. Section 41-2502 – Uninsured motorist and underinsured motorist coverage for automobile insurance – Exceptions. ()

~~002.—003.~~ (RESERVED)

002. WRITTEN INTERPRETATIONS.

In accordance with Section 67-5201(19)(b)(iv), Idaho Code, the Department may have written statements that pertain to the interpretation of the rules of this chapter, or to the documentation of compliance with the rules of this chapter. ()

003. ADMINISTRATIVE APPEALS.

All administrative appeals shall be governed by Chapter 2, Title 41, Idaho Code, and the Idaho Administrative Procedure Act, Title 67, Chapter 52, Idaho Code and IDAPA 04.11.01, "Idaho Rules of Administrative Procedure of the Attorney General - General Provisions." ()

004. INCORPORATION BY REFERENCE.

No documents are incorporated in this chapter of rule. ()

005. OFFICE -- OFFICE HOURS -- MAILING ADDRESS, STREET ADDRESS AND WEB SITE.

01. Office Hours. The Department of Insurance is open from 8 a.m. to 5 p.m. except Saturday, Sunday and legal holidays. ()

02. Mailing Address. The department's mailing address is: Idaho Department of Insurance, P.O. Box 83720, Boise, ID 83720-0043. ()

03. Street Address. The principal place of business is 700 West State Street, 3rd Floor, Boise, Idaho 83702-0043. ()

04. Web Site Address. The department's website is <http://www.doi.idaho.gov>. ()

006. PUBLIC RECORDS ACT COMPLIANCE.

Any records associated with this rule are subject to the provisions of the Idaho Public Records Act, Title 74, Chapter 1, Idaho Code, as well as applicable exemptions. ()

~~0057.~~ -- ~~0409.~~ (RESERVED)

~~004~~10. DEFINITIONS.

The Idaho Department of Insurance adopts the definitions set forth in Title 41, Chapter 25, Idaho Code. In addition, the following terms are defined as used in this chapter. ()

01. The Act. For the purpose of this Rule, the term "the Act" shall, unless otherwise noted, refer to Sections 41-2506, 41-2507, 41-2508, 41-2509, 41-2510, 41-2511, 41-2512 of the Idaho Insurance Laws, otherwise known as the Insurance Code. (7-1-93)

~~02. Section 41-2506 Terms.~~ *The terms defined under Section 41-2506 of the Insurance Code shall bear the same meaning when used in this Rule.* (7-1-93)

032. Non-Payment of Premium. The provisions of Section 41-2506(1)(d), Definitions - Non-Payment of Premium, shall be interpreted as follows: Non-Payment of Premium shall mean the failure of the named insured, or his legal representative, to discharge when due any of his obligations in connection with the payment of any premiums or installment premiums on a policy as defined in the Act, or any membership fees due an association or organization, other than an insurance association or organization, which by its by-laws requires the payment of such membership fees by the member prior to his obtaining or continuing insurance in force through such an association or organization. The term "non-payment of premium" as referred to in the Act shall also apply when the named insured or his legal representative is obligated to pay such premium or membership fee directly to the insurer, its agent or representative, or indirectly under any premium finance plan or extensions of credit. However, if the agent or other representative of the insurer extends credit to the insured, orally or otherwise, and said agent or representative terminates such credit arrangement with the insured because of non-payment, said agent or representative, with the knowledge and consent of the insurer, shall then mail or deliver, or cause to be mailed or delivered, to the named insured or his legal representative written notice of cancellation which states, in effect, that the insurance provided by the policy upon which such credit was granted shall cease on a given time and date. This time and date shall be no earlier than ten (10) days after the date such notice was mailed or delivered, the date of mailing considered to be the first day and the tenth day being considered to be ended at midnight, standard time, at the last known address of the named insured. Nothing in this rule shall be construed to permit any agent or other representative of the insurer to cancel any policy without the concurrence of the insurer or for any private debt between the agent and the insured. Also, nothing in the section shall be construed to prohibit a policy from being canceled effective as of any date that is mutually acceptable to the insured, the insurer and the lienholder, if any. Furthermore, a prior existing policy shall terminate on the effective date of any other policy procured by the insured with respect to any automobile designated in both policies and containing duplicate insurance coverage. (7-1-93)

043. Sixty Day Period. The sixty (60) day period referred to in Subsection (2) of Section 41-2506, CANCELLATION OF POLICIES - DEFINITIONS, is intended to provide to insurers a reasonable period of time, if desired, to thoroughly investigate a particular risk while extending coverage during the period of investigation. Should an insurer, after such investigation, conclude that it does not wish to remain on the risk, it may decline to

continue such policy in force provided that its action conforms with the provisions of Section 41-2506(2) of the Act. Therefore, the provisions of this section shall be interpreted to mean that an insurer may deliver notice of cancellation or mail notice of cancellation concerning any new automobile policy on or before the sixtieth (60th) day after inception date of the policy, the inception date being considered to be the first day and the sixtieth (60th) day being considered to be ended at midnight, standard time, at the last known address of the named insured. The policy shall thus remain in force from the date the notice of cancellation is mailed to the usual date the cancellation is effective as required by the terms and conditions of the policy, without the policy being considered to be subject to the provisions of the Act. For the purpose of this rule, the term "inception date" shall mean that date and time that the policy goes into effect and the protection furnished by the policy commences. (7-1-93)

(BREAK IN CONTINUITY OF SECTIONS)

016. STANDARD STATEMENT REGARDING UNINSURED AND UNDERINSURED MOTORIST COVERAGE.

The form set forth below is the standard statement approved by the director of the department of insurance pursuant to Section 41-2502, Idaho Code, and carriers must begin using the new form no later than January 1, 2019. Carriers may make non-substantive changes to this form, for example, including inserting company letterhead, and carriers must file their standard statement forms with the director prior to use. ()

0167. SEVERABILITY.

If any provision of this rule shall be held invalid, the remainder of the rule shall not be affected thereby. (7-1-93)

0178. -- 999. (RESERVED)

APPENDIX A
(UNINSURED/UNDERINSURED MOTORIST DISCLOSURE)

IDAHO UNINSURED MOTORIST AND UNDERINSURED MOTORIST DISCLOSURE -- Do not sign until you read

Idaho law requires that every auto liability insurance policy include **Uninsured Motorist (UM)** bodily injury coverage and **Underinsured Motorist (UIM)** bodily injury coverage, unless a named insured (you) has rejected these coverages in writing, which may be in electronic format.

These coverages can protect you and your passengers by paying damages, up to the UM/UIM policy limits you have chosen, when an at-fault person does not have any or enough liability coverage.

- **UM** coverage may pay damages for bodily injuries caused by an at-fault motorist who has no insurance, or from a hit-and-run vehicle where the at-fault party is unknown.
- **UIM** coverage may pay damages for bodily injuries if the at-fault motorist does not have enough liability insurance to cover your costs. UIM coverage is offered in different types by different insurers, and insurers are not required to offer more than one type of UIM coverage. The most common available type of UIM coverage is "Difference in Limits" (or "Offset") Coverage. Some insurers may offer "Excess" Coverage. **Please refer to the attached examples to see how the different types of UIM coverage may impact your level of protection.**

You have the option to purchase both UIM and UM coverage in varying amounts at or above the minimum liability requirements in Idaho, which are \$25,000 per person, \$50,000 for two or more persons in any one accident. By signing below, you acknowledge that the insurance company has explained the following UM/UIM coverages that are available as part of your policy:

Insurer: _____ **UIM Type:** Difference in Limits (Offset) Excess

I have read the above explanation of Uninsured Motorist and Underinsured Motorist coverages. I understand that I have the option to reject either or both coverages.

Named Insured (print name) **Signature of Named Insured** **Date**

UNINSURED AND UNDERINSURED MOTORIST COVERAGE – OPTION TO REJECT

I understand that, by signing below, I am informing my insurer that I choose to reject the UM/UIM coverage(s) under my automobile liability policy, or under any renewal or replacement of my policy.

I **reject** and **do not** wish to purchase *Uninsured* Motorist Coverage (UM).

Signature of Named Insured (only if rejecting) **Date**

I **reject** and **do not** wish to purchase *Underinsured* Motorist Coverage (UIM).

Signature of Named Insured (only if rejecting) **Date**

This general explanation is NOT an insurance agreement. All auto insurance policies have terms and conditions that control your rights and obligations as a policyholder. For a more detailed explanation of these coverages, refer to your policy, agent or the insurer. The Idaho Department of Insurance can also provide assistance with insurance related questions. Call 800-721-3272 (Idaho only) or 208-334-4250 or visit the Department's website at www.doi.idaho.gov.

	"Difference in Limits" (or "Offset") UIM	"Excess" UIM
Definition of the type of UIM coverage	Your UIM coverage limits are reduced or eliminated by any amounts recovered from another party's insurance.	Your UIM coverage limits are above and beyond what is paid by another party's insurance.

Example 1		
At-fault motorist and you have the same bodily injury/UIM coverage limits		
	"Difference in Limits" (or "Offset") UIM	"Excess" UIM
Bodily Injury liability limit of at-fault motorist	\$25,000	\$25,000
Your Underinsured Motorist (UIM) Coverage limit	\$25,000	\$25,000
Maximum available for your bodily injury	\$25,000	\$50,000
Example 1 explanation	Your UIM coverage doesn't provide additional coverage above the at-fault motorist's coverage because they have the same limit	Your UIM coverage increases the available Bodily Injury coverage above the at-fault motorist's coverage limit

Example 2		
At-fault motorist has lower bodily injury coverage limits than your UIM		
	"Difference in Limits" (or "Offset") UIM	"Excess" UIM
Bodily Injury Liability limit of at-fault motorist	\$25,000	\$25,000
Your Underinsured Motorist (UIM) Coverage limit	\$100,000	\$100,000
Maximum available for your bodily injury	\$100,000	\$125,000
Example 2 explanation	Your UIM coverage covers any deficiency in the at-fault motorist's Bodily Injury coverage, as if the at-fault motorist had Bodily Injury coverage at your UIM limit	Your UIM coverage increases the available Bodily Injury coverage above the at-fault motorist's coverage limit

IDAPA 18 – IDAHO DEPARTMENT OF INSURANCE

18.01.22 – SALE OF INSURANCE BY VENDING MACHINES

DOCKET NO. 18-0122-1701 (CHAPTER REPEAL)

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: Public hearing(s) concerning this rulemaking will be scheduled if requested in writing by twenty-five (25) persons, a political subdivision, or an agency, not later than September 20, 2017.

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:

This rule dates back to 1979. It is not currently monitored by the DOI, no licenses currently exist, nor are any expected. The fee for vending machine licenses is not addressed or included in the Department's general fee rule, IDAPA 18.01.44. Internet options replace this mode of accessibility for the public, along with provisions on credit cards for limited travel insurance. Recent legislative change removes retail licensing requirements for travel insurance. IDAPA 18.01.22 is not necessary for effectuating Title 41, Idaho Code. This rulemaking proposes to repeal this rule.

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

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 resulting from this rulemaking: N/A

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 July 5, 2017, Idaho Administrative Bulletin, [Volume 17-7, p. 63](#)

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 Tom Donovan, tom.donovan@doi.idaho.gov (208) 334-4214. Anyone may submit written comments regarding this proposed rulemaking. All written comments must be directed to the undersigned and must be delivered either by hard copy or via email to the same email address for questions set forth above on or before September 27, 2017.

DATED this 31st day of July, 2017.

Dean L. Cameron, Director
Idaho Department of Insurance
700 W. State Street, 3rd Floor
P.O. Box 83720
Boise, ID 83702-0043
Phone: (208) 334-4250 / Fax: (208) 334-4398

IDAPA 18.01.22 IS BEING REPEALED IN ITS ENTIRETY

IDAPA 18 – IDAHO DEPARTMENT OF INSURANCE

18.01.25 – TITLE INSURANCE AND TITLE INSURANCE AGENTS AND ESCROW OFFICERS

DOCKET NO. 18-0125-1701

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.

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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:

Amends language to make title insurance policy cancellation fees permissive rather than mandatory because there are various scenarios where it seems inappropriate to charge a cancellation fee, and title insurance agents would not charge cancellation fees but for the current rule.

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

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 resulting from this rulemaking: N/A

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 July 5, 2017, Idaho Administrative Bulletin, [Volume 17-7, p. 64](#).

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 Tom Donovan, tom.donovan@doi.idaho.gov (208) 334-4214.

Anyone may submit written comments regarding this proposed rulemaking. All written comments must be directed to the undersigned and must be delivered either by hard copy or via email to the same email address for questions set forth above on or before September 27, 2017.

DATED this July 31, 2017.

Dean L. Cameron, Director
Idaho Department of Insurance
700 W. State Street, 3rd Floor
P.O. Box 83720
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THE FOLLOWING IS THE PROPOSED TEXT OF DOCKET NO. 18-0125-1701
(Only Those Sections With Amendments Are Shown.)

004. PREMIUM RATES AND THEIR APPLICATION.

01. Schedule of Premium Rates. Each title insurer shall file its schedule of premium rates (including both the taxable risk portion and the service portion) for title insurance charged the public for all policies, which premium rates shall commence with the lowest rate and shall advance by one thousand dollars (\$1,000) increments. The rate schedule shall include owner's, standard mortgagee and extended coverage mortgagee policies, and may include other rates. In addition, any charges made for special endorsements shall be listed and the type of policy to which applicable. Filed rates shall provide that where a preliminary report is issued, the order for the policy may be canceled prior to closing. ~~upon The applicant being may be~~ required to pay a cancellation ~~fee charge of fifty percent (50%) of the premium with a minimum of fifty dollars (\$50) provided that any portion of the charge in excess of one hundred dollars (\$100) may be waived, and provided the entire charge may be canceled if it is apparent that by inadvertence or error the customer entered duplicate orders with the same or competing companies.~~ The premium rates for policies shall only include title examination and issuance of title insurance which shall be deemed to include any preliminary report, commitment to insure, binder or similar report (herein collectively called preliminary report) and the policy subsequently issued thereon. If more than one (1) chain of title is involved, an additional charge shall be made for each additional chain. An additional chain is one involving property in a different block or section or under a different ownership within the last five (5) years. (7-1-93)()

02. Rebates, Discounts, Credits. No title insurer or title insurance agent shall: (7-1-93)

a. Charge a premium for a policy in one transaction and withhold issuance of a policy thereon; (7-1-93)

b. Charge a premium for a policy in one transaction and apply the premium, or any part thereof, applicable to the first transaction to a premium charged in a subsequent transaction; provided that a title insurer may file a temporary or construction mortgagees policy rate allowing credit for such policy upon a permanent policy to the extent of the basic standard coverage charge only for the temporary policy provided that full applicable premium and fees have been charged and collected on the issuance of the first policy; and provided that a title insurer may file an owner's reissue rate under conditions prescribed by Subsection 004.06 infra; (7-1-93)

c. Provide or agree to provide closing or escrow services as a part of a title insurance premium charge for issuance of a policy; (7-1-93)

d. Issue a title insurance binder, commitment or preliminary report without an order ~~and without making a charge therefor if a policy is not issued thereon, nor apply the charge or any part thereof toward the premium of a policy on any other tract of land;~~ (7-1-93)()

e. Issue a binder commitment or preliminary report, or title insurance policy for a charge which is less than that currently filed for such risk with the Department of Insurance; or (7-1-93)

f. In connection with transaction of any title insurance business received by or directed to such insurer or agent directly or indirectly, provide, or cause to be provided, to any person any payment, property or item of value, or division of a premium or fee; provided, contracts of reinsurance when no primary liability is assumed by the reinsurer are exempt here from. (7-1-93)

03. Amount of Owner's Policy. An owner's policy shall be issued for not less than (a) the amount of the current sales price of the land and any existing improvements appurtenant thereto, or (b) if no sale is being made, the amount equal to the value of the land and any existing improvements at the time of the issuance of the policy. If improvements are contemplated, the amount may include the cost of such improvements immediately contemplated to be erected thereon with a following pending improvement clause set forth in Schedule B of said policy and the full

premium collected, which clause reduces the policy amount to the extent the improvements are not completed. The amount of policies covering leasehold estates for a term of fifty years or more shall be for the full value of the land and existing improvements, and for less than fifty years shall be for an amount at the option of the insured based on (i) the total amount of the rentals payable for the primary term but not less than five (5) years, or (ii) the full value of the land and existing improvements together with any improvements immediately contemplated to be erected thereon. The amount of policies insuring contract purchasers shall be for the full value of the principal payments. Insurance of lesser estates shall be written for the amount of the value of the estate at the time the policy is issued.

(7-1-93)

04. Amount of Mortgagee Policies. A mortgagee's policy shall be for not less than the full principal debt of the loan insured and at insured's request may include up to twenty percent (20%) in excess of the principal debt to cover interest, foreclosure costs, etc. Where the land covered represents only part of the security for the loan, the policy shall be written for the amount of the unencumbered value of the land or the amount of the loan, whichever is the lesser.

(7-1-93)

05. Simultaneous Issuance of Owner's and Mortgagee's Policy. When an owner's policy and a mortgage policy covering identical land are simultaneously issued, the owner's policy shall bear the regular owner's rate. Premium for the mortgagee policy simultaneously issued may be for an amount less than the full mortgagee rate for the amount of insurance not in excess of the owner's policy.

(7-1-93)

06. Double Sale and Reissue. No order will be held open to cover a double sale and the premium will be charged and the policy issued on each sale, unless the conveyance on resale is recorded at the same time as the original transaction. A title insurer may file an owner's reissue rate of not less than fifty percent (50%) of the basic rate which shall be applicable to any policy ordered within two (2) years of the effective date of a prior owner's or purchaser's policy naming applicant as the insured provided that the following conditions are met:

(7-1-93)

a. The prior policy or a copy thereof is presented to the issuing company and shall be retained in the issuing company's file, or in the absence thereof, reasonable proof of issuance is provided the issuing company.

(7-1-93)

b. The reissue premium shall be based on the schedule of fees in effect at the time of reissue. (7-1-93)

c. Increased liability is to be computed in accordance with the basic schedule of fees in the applicable brackets.

(7-1-93)

07. Amount on Litigation and Foreclosure Reports. Where a preliminary report is made for an owner's policy to be issued after a quiet title action or after a foreclosure of contracts of sale, deeds of trust or mortgages, the premium charge shall be that on an owner's policy and the policy will be issued following the successful completion of the litigation or the foreclosure; ~~and~~ ^A cancellation fee ~~may be~~ charged if the action is unsuccessful. ~~Such fee shall include the examination of title as well as a check immediately prior to judgment or sale on foreclosure.~~ Each such preliminary report shall bear on its face as the limit of liability of the insurer, the value upon which the premium charge is based.

(7-1-93)()