

STATEMENT OF PURPOSE

RS26082

This legislation is intended to incorporate into Idaho Insurance Law newly adopted provisions of the NAIC Life and Health Insurance Guaranty Association Model Act regarding the assessment formula for costs incurred by the Idaho Life and Health Insurance Guaranty Association for long term care insurance policies of insurance company members that become insolvent. If adopted, the new assessment formula will split the cost of long term care policies: 50% to the life & annuity insurance company members and 50% to the health insurance company members. Currently long term care coverage costs are assessed only to health insurance company members. It has been agreed by the life & annuity and health insurance company members that the current assessment formula is flawed in that the assessment is not properly born by the companies that write long term care insurance and the affected parties have agreed to the allocation formula proposed herein.

FISCAL NOTE

There is no fiscal impact to the general fund or any other state fund or expenditure with the change to the long term care assessment formula; these provisions would only change the companies that are assessed for the Association's costs for long term care coverage.

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DISCLAIMER: This statement of purpose and fiscal note are a mere attachment to this bill and prepared by a proponent of the bill. It is neither intended as an expression of legislative intent nor intended for any use outside of the legislative process, including judicial review (Joint Rule 18).