

## STATEMENT OF PURPOSE

### RS26077

This legislation will establish the Idaho Free Market Insurance Act that will allow individuals and groups to lower their health insurance costs by making available competitive health plans from out-of-state insurance companies. This legislation requires the Director of the Idaho Department of Insurance to issue a certificate of authority to an out-of-state insurer to sell accident and sickness insurance policies in this State, only if that insurer is licensed in good standing in another state, remains licensed in that state and complies with Idaho's mandatory coverage requirements. Out-of-state insurers must use appropriate forms that are clear and not misleading and must participate in Idaho's premium tax and high-risk reinsurance pool. This legislation gives the Director of the Idaho Department of Insurance the authority to enter compacts with other states to assure consumer protection for Idahoans purchasing policies from out-of-state companies.

### FISCAL NOTE

The insurers will remit Idaho's premium tax and participate in the High-Risk Reinsurance Pool. The impact should be neutral to the State budget.

#### Contact:

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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).**