

IN THE SENATE

SENATE BILL NO. 1067

BY COMMERCE AND HUMAN RESOURCES COMMITTEE

AN ACT

RELATING TO INSURANCE; AMENDING SECTION 41-2503, IDAHO CODE, TO DEFINE A TERM, TO PROVIDE A LIMITATION ON CERTAIN COVERAGE, TO PROVIDE CERTAIN RULEMAKING AUTHORITY, AND TO MAKE TECHNICAL CORRECTIONS; AND DECLARING AN EMERGENCY AND PROVIDING AN EFFECTIVE DATE.

Be It Enacted by the Legislature of the State of Idaho:

SECTION 1. That Section 41-2503, Idaho Code, be, and the same is hereby amended to read as follows:

41-2503. DEFINITIONS AND APPLICATION. (1) For the purposes of uninsured motorist coverage, the term "uninsured motor vehicle" shall, subject to the terms and conditions of such coverage, be deemed to include an insured motor vehicle where the liability insurer thereof is unable to make payment with respect to the legal liability of its insured within the limits specified therein because of insolvency.

(2) For purposes of underinsured motorist coverage, subject to the further definitions, terms, and conditions of such coverage, the term "underinsured motor vehicle" means a motor vehicle that is a self-insured motor vehicle, or a motor vehicle that is covered by a policy of motor vehicle liability insurance or an indemnity bond, with limits for bodily injury or death at least equal to those limits set forth in section 49-117, Idaho Code.

(3) With respect to policies issued or renewed on or after July 1, 2024, "underinsured motor vehicle coverage" means excess coverage in addition to the insufficient coverage of the tortfeasor, and such underinsured motor vehicle coverage limits may not be reduced by amounts paid by the tortfeasor's coverage or any other coverage. The covered insured may not recover from the available underinsured motor vehicle policy or policies an amount greater than the total legal liability of the tortfeasor or the applicable limits of the underinsured coverage or coverages, whichever is less. This subsection shall not apply with respect to motor vehicle insurance policies in effect before July 1, 2024. The department of insurance is authorized to promulgate rules to implement and enforce the provisions of this subsection.

(4) Except as provided in ~~subsections (1) and (2)~~ of this section, the terms and conditions of any policy of motor vehicle liability insurance providing uninsured motorist coverage or underinsured motorist coverage are not altered or amended.

SECTION 2. An emergency existing therefor, which emergency is hereby declared to exist, this act shall be in full force and effect on and after July 1, 2023.