

STATEMENT OF PURPOSE

RS31148 / H0503

This legislation proposes an amendment to Chapter 18, Title 41 of the Idaho Code concerning the "Notice of Lapse or Termination of Individual Life Insurance." It aims to grant the policy owner and any designated third party the option, at no cost, to request that all lapsing life insurance policies receive a notice of lapse via certified United States mail with return receipt, ten (10) days before the lapse takes effect. The responsibility for the certified mailing costs would fall on the insurance company whenever a policy lapses due to non-payment, termination, or the end of the term policy.

FISCAL NOTE

This legislation does not result in additional expenditure of funds at the state or local government level, nor does it lead to an increase or decrease in revenue for state or local government; therefore, it has no fiscal impact. There would be a fiscal impact on insurance companies for all lapsing policies due to non-payment or termination of term life insurance policies. The cost of a certified item, along with the return receipt, ranges from \$6.72 to \$8.15 per lapse.

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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).