

LEGISLATURE OF THE STATE OF IDAHO
Sixty-first Legislature Second Regular Session - 2012

IN THE SENATE

SENATE BILL NO. 1395

BY STATE AFFAIRS COMMITTEE

AN ACT

RELATING TO THE BOARD OF DIRECTORS OF THE STATE INSURANCE FUND; AMENDING SECTION 72-901, IDAHO CODE, TO REVISE BOARD MEMBER COMPENSATION.

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

SECTION 1. That Section 72-901, Idaho Code, be, and the same is hereby amended to read as follows:

72-901. BOARD OF DIRECTORS OF STATE INSURANCE FUND -- CREATION OF STATE INSURANCE FUND. (1) There is hereby created as an independent body corporate politic a fund, to be known as the state insurance fund, for the purpose of insuring employers against liability for compensation under this worker's compensation law and the occupational disease compensation law and of securing to the persons entitled thereto the compensation provided by said laws. Such fund shall consist of all premiums and penalties received and paid into the fund, of property and securities acquired by and through the use of moneys belonging to the fund, and of interest earned upon moneys belonging to the fund and deposited or invested as herein provided.

Such fund shall be administered without liability on the part of the state. Such fund shall be applicable to the payment of losses sustained on account of insurance and to the payment of compensation under the worker's compensation law and the occupational disease compensation law and of expenses of administering such fund.

(2) The governor shall appoint five (5) persons to be the board of directors of the state insurance fund. One (1) member shall be a licensed insurance agent, one (1) member shall represent businesses of the state, one (1) member shall be a representative of labor, one (1) member shall be a member of the state senate and one (1) member shall be a member of the state house of representatives. The governor shall appoint a chairman from the five (5) directors. The directors shall be appointed for terms of four (4) years, except that all vacancies shall be filled for the unexpired term, provided that the first two (2) appointments the governor makes after the effective date of this act shall serve a term of two (2) years and the other three (3) members shall serve a term of four (4) years. Thereafter, a member shall serve a term of four (4) years. A certificate of appointment shall be filed in the office of the secretary of state. A majority of the members shall constitute a quorum for the transaction of business or the exercise of any power or function of the state insurance fund and a majority vote of the members shall be necessary for any action taken by the board of directors. The members of the board of directors shall appoint a manager of the state insurance fund who shall serve at their pleasure and such other officers and employees as they may require for the performance of their duties and shall prescribe the duties and compensation of each officer and employee. Members of the board of

1 directors shall receive a compensation for service like that prescribed in
2 section 59-509(~~4n~~), Idaho Code.

3 (3) It shall be the duty of the board of directors to direct the poli-
4 cies and operation of the state insurance fund to assure that the state in-
5 surance fund is run as an efficient insurance company, remains actuarially
6 sound and maintains the public purposes for which the state insurance fund
7 was created.

8 (4) The state insurance fund is subject to and shall comply with the
9 provisions of the Idaho insurance code, title 41, Idaho Code. For purposes
10 of regulation, the state insurance fund shall be deemed to be a mutual in-
11 surer. The state insurance fund shall not be a member of the Idaho insurance
12 guaranty association.

13 (5) Nothing in this chapter, or in title 41, Idaho Code, shall be con-
14 strued to authorize the state insurance fund to operate as an insurer in
15 other states.