

TITLE 41
INSURANCE

CHAPTER 18
THE INSURANCE CONTRACT

41-1801. SCOPE OF CHAPTER. This chapter applies as to all insurance contracts and annuity contracts, other than:

- (1) Reinsurance.
- (2) Policies or contracts not issued for delivery in this state nor delivered in this state.
- (3) Wet marine and transportation insurance.

Provided, however, that the above stated exceptions shall not apply to section [41-1839](#).

[41-1801, added 1961, ch. 330, sec. 393, p. 645; am. 1967, ch. 26, sec. 1, p. 46.]

41-1802. "POLICY" DEFINED. "Policy" means the written contract of or written agreement for or effecting insurance, by whatever name called, and includes all clauses, riders, endorsements and papers which are a part thereof.

[41-1802, added 1961, ch. 330, sec. 394, p. 645.]

41-1803. "PREMIUM" DEFINED. "Premium" is the consideration for insurance by whatever name called. Any "assessment," or any "membership," "policy," "survey," "inspection," "service" or similar fee or other charge in consideration for an insurance contract is deemed part of the premium; provided that producer fees charged pursuant to section [41-1030](#), Idaho Code, shall not be considered a premium unless the fee relates to a surplus line policy.

[41-1803, added 1961, ch. 330, sec. 395, p. 645; am. 2001, ch. 154, sec. 2, p. 558; am. 2002, ch. 359, sec. 2, p. 1018.]

41-1804. INSURABLE INTEREST -- PERSONAL INSURANCE. (1) Any individual of competent legal capacity may procure or effect an insurance contract upon his own life or body for the benefit of any person. But, except as provided in section [41-1805](#), no person shall procure or cause to be procured any insurance contract upon the life or body of another individual unless the benefits under such contract are payable to the individual insured or his personal representatives, or to a person having, at the time when such contract was made, an insurable interest in the individual insured.

(2) If the beneficiary, assignee, or other payee under any contract made in violation of this section receives from the insurer any benefits thereunder accruing upon the death, disablement, or injury of the individual insured, the individual insured or his executor or administrator, as the case may be, may maintain an action to recover such benefits from the person so receiving them.

(3) "Insurable interest" as to personal insurance means that every individual has an insurable interest in the life, body and health of himself, and of other persons as follows:

(a) In the case of individuals related closely by blood or by law, a substantial interest engendered by love and affection;

(b) In the case of other persons, a lawful and substantial economic interest in having the life, health, or bodily safety of the individual insured continue, as distinguished from an interest which would arise only by, or would be enhanced in value by, the death, disablement or injury of the individual insured; and

(c) An individual heretofore or hereafter party to a contract or option for the purchase or sale of an interest in a business partnership or firm, or of shares of stock of a closed corporation or of an interest in such shares, has an insurable interest in the life of each individual party to such contract and for the purposes of such contract only, in addition to any insurable interest which may otherwise exist as to the life of such individual.

(4) An insurer shall be entitled to rely upon all statements, declarations and representations made by an applicant for insurance relative to the insurable interest of the applicant in the insured; and no insurer shall incur legal liability except as set forth in the policy, by virtue of any untrue statements, declarations or representations so relied upon in good faith by the insurer.

[41-1804, added 1961, ch. 330, sec. 396, p. 645.]

41-1805. LIFE INSURANCE FOR BENEFIT OF CERTAIN INSTITUTIONS. (1) Contracts of life insurance may be made and entered into in which the person paying the consideration for such insurance has no insurable interest in the life of the person insured, where charitable, benevolent, educational, or religious institutions are designated irrevocably as the beneficiaries thereof.

(2) In making such contracts the person paying the premium shall make and sign the application therefor as owner and shall designate a charitable, benevolent, educational, or religious institution irrevocably as the beneficiary or beneficiaries of such policy. The application also shall be signed by the person whose life is to be insured.

(3) Such a contract shall be valid and binding between and among all of the parties thereto, and the person paying the consideration for such insurance shall have all rights conferred by the contract to loan value at any time during the premium paying period, but not at maturity, notwithstanding such person has no insurable interest in the life of the person insured.

[41-1805, added 1961, ch. 330, sec. 397, p. 645.]

41-1806. INSURABLE INTEREST -- PROPERTY. (1) No contract of insurance of property or of any interest in property or arising from property shall be enforceable as to the insurance except for the benefit of persons having an insurable interest in the things insured as at the time of the loss.

(2) "Insurable interest" as used in this section means any actual, lawful, and substantial economic interest in the safety or preservation of the subject of the insurance free from loss, destruction, or pecuniary damage or impairment.

(3) The measure of an insurable interest in property is the extent to which the insured might be directly damaged by loss, injury, or impairment thereof.

[41-1806, added 1961, ch. 330, sec. 398, p. 645.]

41-1807. POWER TO CONTRACT -- PURCHASE OF INSURANCE BY MINORS. (1) Any person of competent legal capacity may contract for insurance.

(2) Any minor not less than fifteen (15) years of age, notwithstanding his minority, may contract for annuities or for insurance upon his own life, body, health, property, liabilities or other interests, or on the person of another in whom the minor has an insurable interest. Such a minor shall, notwithstanding such minority, be deemed competent to exercise all rights and powers with respect to or under (a) any contract for annuity or for insurance upon his own life, body or health, or (b) any contract such minor effected upon his own property, liabilities or other interests, or on the person of another, as might be exercised by a person of full legal age, and may at any time surrender his interest in any such contracts and give valid discharge for any benefit accruing or money payable thereunder. Such a minor shall not, by reason of his minority, be entitled to rescind, avoid or repudiate the contract, nor to rescind, avoid or repudiate any exercise of a right or privilege thereunder, except that such a minor not otherwise emancipated, shall not be bound by any unperformed agreement to pay by promissory note or otherwise, any premium on any such annuity or insurance contract.

(3) Any annuity contract or policy of life or disability insurance procured by or for a minor under subsection (2) above, shall be made payable either to the minor or his estate or to a person having an insurable interest in the life of the minor.

[41-1807, added 1961, ch. 330, sec. 399, p. 645; am. 1977, ch. 142, sec. 7, p. 309.]

41-1808. APPLICATION REQUIRED -- LIFE AND DISABILITY INSURANCE. No life or disability insurance contract upon an individual, except a contract of group life insurance or of group or blanket disability insurance, shall be made or effectuated unless at the time of the making of the contract the individual insured, being of competent legal capacity to contract, applies therefor or has consented thereto in writing, except in the following cases:

(1) A spouse may effectuate such insurance upon the other spouse.

(2) Any person having an insurable interest in the life of a minor, or any person upon whom a minor is dependent for support and maintenance, may effectuate insurance upon the life of or pertaining to such minor.

(3) Family policies may be issued insuring any two (2) or more members of a family on an application signed by either parent, a stepparent, or by a husband or wife.

[41-1808, added 1961, ch. 330, sec. 400, p. 645.]

41-1809. ALTERATION OF APPLICATION -- LIFE AND DISABILITY INSURANCE. No alteration of any written application for any life or disability insurance policy shall be made by any person other than the applicant without his written consent, except that insertions may be made by the insurer, for administrative purposes only, in such manner as to indicate clearly that such insertions are not to be ascribed to the applicant.

[41-1809, added 1961, ch. 330, sec. 401, p. 645.]

41-1810. APPLICATION AS EVIDENCE. (1) No application for the issuance of any life or disability insurance policy or annuity contract shall be admissible in evidence in any action relative to such policy or contract, un-

less a true copy of the application was attached to or otherwise made a part of the policy or contract when issued. This provision shall not apply to industrial life insurance policies.

(2) If any policy of life or disability insurance delivered in this state is reinstated or renewed, and the insured or the beneficiary or assignee of the policy makes written request to the insurer for a copy of the application, if any, for such reinstatement or renewal, the insurer shall, within thirty (30) days after receipt of such request at its home office, deliver or mail to the person making such request a copy of such application reproduced by any legible means. If such copy is not so delivered or mailed after having been so requested, the insurer shall be precluded from introducing the application in evidence in any action or proceeding based upon or involving the policy or its reinstatement or renewal. In the case of such a request from a beneficiary, the time within which the insurer is required to furnish a copy of such application shall not begin to run until after receipt of evidence satisfactory to the insurer of the beneficiary's vested interest in the policy or contract.

(3) As to kinds of insurance other than life or disability insurance, no application for insurance signed by or on behalf of the insured shall be admissible in evidence in any action between the insured and the insurer arising out of the policy so applied for, if the insurer has failed, at expiration of thirty (30) days after receipt by the insurer of written demand therefor by or on behalf of the insured, to furnish to the insured a copy of such application reproduced by any legible means.

[41-1810, added 1961, ch. 330, sec. 402, p. 645.]

41-1811. REPRESENTATIONS IN APPLICATIONS. All statements and descriptions in any application for an insurance policy or annuity contract, or in negotiations therefor, by or in behalf of the insured or annuitant, shall be deemed to be representations and not warranties. Misrepresentations, omissions, concealment of facts, and incorrect statements shall not prevent a recovery under the policy or contract unless either:

- (a) Fraudulent; or
- (b) Material either to the acceptance of the risk, or to the hazard assumed by the insurer; or
- (c) The insurer in good faith would either not have issued the policy or contract, or would not have issued it at the same premium rate, or would not have issued a policy or contract in as large an amount, or would not have provided coverage with respect to the hazard resulting in the loss, if the true facts had been made known to the insurer as required either by the application for the policy or contract or otherwise.

[41-1811, added 1961, ch. 330, sec. 403, p. 645.]

41-1812. FILING, USE AND DISAPPROVAL OF FORMS. (1) No basic insurance policy or annuity contract form, or application form where written application is required and is to be made a part of the policy or contract, or printed rider or endorsement form or form of renewal certificate, shall be delivered, or issued for delivery in this state, unless the form has been filed with the director. This provision shall not apply to surety bonds, or to specially rated inland marine risks, nor to policies, riders, endorsements, or forms of unique character designed for and used with relation to insurance upon a particular subject, or which relate to the manner of distribution of

benefits or to the reservation of rights and benefits under life or disability insurance policies and are used at the request of the individual policyholder, contract holder, or certificate holder. As to group insurance policies effectuated and delivered outside this state but covering persons resident in this state, the group certificates to be delivered or issued for delivery in this state shall be filed with the director. As to forms for use in property, marine (other than wet marine and transportation insurance), casualty and surety insurance coverages the filing required by this subsection may be made by rating organizations on behalf of its members and subscribers; but this provision shall not be deemed to prohibit any such member or subscriber from filing any such forms on its own behalf.

(2) Every such filing shall be submitted with a certification, in such form as may be determined by the director, by an officer of the insurer that each policy, form, endorsement, or rider in use complies with Idaho law. The director shall have the power to examine such filings to determine whether the policies, forms, endorsements, and riders, as filed, comply with the certification of the insurer and with Idaho law relating to the content of such documents. Upon a determination that any document filed in accordance with this section does not comply with Idaho law, the director shall, in accordance with the Idaho administrative procedure act, prohibit the use of such policy, form, endorsement, rider or other document.

(3) The director may, by order, exempt from the requirements of this section for so long as he deems proper any insurance document or form or type thereof as specified in such order, to which, in his opinion, this section may not practicably be applied, or the filing and approval of which are, in his opinion, not desirable or necessary for the protection of the public.

[41-1812, added 1961, ch. 330, sec. 404, p. 645; am. 1982, ch. 148, sec. 1, p. 412; am. 1995, ch. 137, sec. 1, p. 591; am. 1997, ch. 344, sec. 1, p. 1027.]

41-1813. GROUNDS FOR DISAPPROVAL. The director shall disapprove any form filed under section [41-1812](#), [Idaho Code,] or withdraw any previous approval thereof, only on one or more of the following grounds:

(1) Is in any respect in violation of or does not comply with this code.

(2) Contains or incorporates by reference, where such incorporation is otherwise permissible, any inconsistent, ambiguous, or misleading clauses, or exceptions and conditions which deceptively affect the risk purported to be assumed in the general coverage of the contract, or which are unfairly prejudicial to the policy holder.

(3) Has any title, heading, or other indication of its provisions which is misleading.

(4) Is printed or otherwise reproduced in such manner as to render any provision of the form substantially illegible.

[41-1813, added 1961, ch. 330, sec. 405, p. 645; am. 1969, ch. 214, sec. 48, p. 625.]

41-1814. STANDARD PROVISIONS IN GENERAL. (1) Insurance contracts shall contain such standard or uniform provisions as are required by the applicable provisions of this code pertaining to contracts of particular kinds of insurance. The director may waive the required use of a particular provision in a particular insurance policy form if:

(a) He finds such provision unnecessary for the protection of the insured and inconsistent with the purposes of the policy, and

(b) The policy is otherwise approved by him.

(2) No policy shall contain any provision inconsistent with or contradictory to any standard or uniform provision used or required to be used, but the director may approve any substitute provision which is, in his opinion, not less favorable in any particular to the insured or beneficiary than the provisions otherwise required.

(3) In lieu of the provisions required by this code for contracts for particular kinds of insurance, substantially similar provisions required by the law of the domicile of a foreign or alien insurer may be used when approved by the director.

[41-1814, added 1961, ch. 330, sec. 406, p. 645.]

41-1815. CONTENTS OF POLICIES IN GENERAL. (1) Every policy shall specify:

(a) The names of the parties to the contract.

(b) The subject of the insurance.

(c) The risks insured against.

(d) The time when the insurance thereunder takes effect and the period during which the insurance is to continue.

(e) The premium.

(f) The conditions pertaining to the insurance.

(2) If under the policy the exact amount of premium is determinable only at stated intervals or termination of the contract, a statement of the basis and rates upon which the premium is to be determined and paid shall be included.

(3) Subsections (1) and (2) above shall not apply as to surety contracts, or to group insurance policies.

[41-1815, added 1961, ch. 330, sec. 407, p. 645; am. 1987, ch. 278, sec. 14, p. 584; am. 1990, ch. 240, sec. 1, p. 683.]

41-1816. ASSESSMENT POLICIES -- SPECIAL CONTENTS. Every policy delivered or issued for delivery in this state by an insurer otherwise than authorized under other express provisions of this code to transact such insurance in this state on the assessment plan, together with the form of any application for such a policy to be signed by the applicant, shall have conspicuously printed near the top on the face thereof in boldface type of a size not less than the largest type used for any heading or caption in the policy or application, as applicable, the words "issued on the assessment plan" or "assessment plan".

[41-1816, added 1961, ch. 330, sec. 408, p. 645.]

41-1817. ADDITIONAL POLICY CONTENTS. A policy may contain additional provisions not inconsistent with this code and which are:

(1) Required to be inserted by the laws of the insurer's domicile;

(2) Necessary, on account of the manner in which the insurer is constituted or operated, in order to state the rights and obligations of the parties to the contract, or

(3) Desired by the insurer and neither prohibited by law nor in conflict with any provisions required to be included therein.

[41-1817, added 1961, ch. 330, sec. 409, p. 645.]

41-1818. CHARTER AND BY-LAW PROVISIONS. No policy shall contain any provision purporting to make any portion of the charter, by-laws or other constituent document of the insurer (other than the subscriber's agreement or power of attorney of a reciprocal insurer) a part of the contract unless such portion is set forth in full in the policy. Any policy provision in violation of this section shall be invalid.

[41-1818, added 1961, ch. 330, sec. 410, p. 645.]

41-1819. EXECUTION OF POLICIES. (1) Every insurance policy shall be executed in the name of and on behalf of the insurer by its officer, attorney in fact, employee, or representative duly authorized by the insurer.

(2) A facsimile signature of any such executing individual may be used in lieu of an original signature.

(3) No insurance contract heretofore or hereafter issued and which is otherwise valid shall be rendered invalid by reason of the apparent execution thereof on behalf of the insurer by the imprinted facsimile signature of an individual not authorized so to execute as of the date of the policy.

[41-1819, added 1961, ch. 330, sec. 411, p. 645.]

41-1820. UNDERWRITERS' AND COMBINATION POLICIES. (1) Two (2) or more authorized insurers may jointly issue, and shall be jointly and severally liable on, an underwriters' policy bearing their names. Any one (1) insurer may issue policies in the name of an underwriter's department and such policy shall plainly show the true name of the insurer.

(2) Two (2) or more insurers may, with the approval of the director, issue a combination policy which shall contain provisions substantially as follows:

(a) That the insurers executing the policy shall be severally liable for the full amount of any loss or damage, according to the terms of the policy, or for specified percentages or amounts thereof, aggregating the full amount of insurance under the policy, and

(b) That service of process, or of any notice or proof of loss required by such policy, upon any of the insurers executing the policy, shall constitute service upon all such insurers.

(3) This section shall not apply to cosurety obligations.

[41-1820, added 1961, ch. 330, sec. 412, p. 645.]

41-1821. VALIDITY AND CONSTRUCTION OF NONCOMPLYING FORMS. (1) A policy hereafter delivered or issued for delivery to any person in this state in violation of this code, but otherwise binding on the insurer, shall be held valid, but shall be construed as provided in this code.

(2) Any insurance policy, rider, or endorsement hereafter issued and otherwise valid which contains any condition, omission or provision not in compliance with the requirements of this code, shall not be thereby rendered invalid but shall be construed and applied in accordance with such conditions and provisions as would have applied had such policy, rider, or endorsement been in full compliance with this code.

[41-1821, added 1961, ch. 330, sec. 413, p. 645.]

41-1822. CONSTRUCTION OF POLICIES. Every insurance contract shall be construed according to the entirety of its terms and conditions as set forth in the policy and as amplified, extended, or modified by any rider, endorsement, or application lawfully made a part of the policy.

[41-1822, added 1961, ch. 330, sec. 414, p. 645.]

41-1823. BINDERS. (1) Binders or other contracts for temporary insurance may be made orally or in writing and shall be deemed to include all the usual terms of the policy as to which the binder was given together with such supplemental information and applicable endorsements as are designated in the binder, except as superseded by the clear and express terms of the binder.

(2) No binder shall be valid beyond the issuance of the policy, or the endorsement, or the policy expiration, whichever is shortest, with respect to which it was given.

(3) This section shall not apply to life or disability insurances.

[41-1823, added 1961, ch. 330, sec. 415, p. 645; am. 2012, ch. 314, sec. 2, p. 865.]

41-1824. DELIVERY OF POLICY. (1) Subject to the insurer's requirements as to payment of premium, every policy shall be mailed or delivered to the insured or to the person entitled thereto within a reasonable period of time after its issuance except where a condition required by the insurer has not been met by the insured.

(2) In event the original policy is delivered or is so required to be delivered to or for deposit with any vendor, mortgagee, or pledgee of any motor vehicle, and in which policy any interest of the vendee, mortgagor, or pledgor in or with reference to such vehicle is insured, a duplicate of such policy setting forth the name and address of the insurer, insurance classification of vehicle, type of coverage, limits of liability, premiums for the respective coverages, and duration of the policy, or memorandum thereof containing the same such information, shall be delivered by the vendor, mortgagee, or pledgee to each such vendee, mortgagor, or pledgor named in the policy or coming within the group of persons designated in the policy to be so included. If the policy does not provide coverage of legal liability for injury to persons or damage to the property of third parties, adequate notice including, but not limited to, a printed, written, or stamped statement of such fact located conspicuously on the face of such duplicate policy or memorandum shall be provided to the insured, pursuant to rules and regulations adopted by the director of the department of insurance. The director shall prescribe a form, which must be signed by the insured stating that he has received notification as required herein, and by the vendor stating that he has supplied the notification as required herein. This subsection does not apply to inland marine floater policies.

[41-1824, added 1961, ch. 330, sec. 416, p. 645; am. 1971, ch. 165, sec. 1, p. 787.]

41-1825. RENEWAL BY CERTIFICATE. Any insurance policy terminating by its terms at a specified expiration date and not otherwise renewable, may be renewed or extended at the option of the insurer and upon a currently authorized policy form and at the premium rate then required therefor, for a spe-

cific additional period or periods by certificate or by endorsement of the policy, and without requiring the issuance of a new policy.

[41-1825, added 1961, ch. 330, sec. 417, p. 645.]

41-1826. ASSIGNMENT OF POLICIES. A policy may be assignable or not assignable, as provided by its terms. Subject to its terms relating to assignability, any life or disability policy, whether heretofore or hereafter issued, under the terms of which the beneficiary may be changed upon the sole request of the insured or owner, may be assigned either by pledge or transfer of title, by an assignment executed by the insured or owner alone and delivered to the insurer, whether or not the pledgee or assignee is the insurer. Any such assignment shall entitle the insurer to deal with the assignee as the owner or pledgee of the policy in accordance with the terms of the assignment, until the insurer has received at its home office written notice of termination of the assignment or pledge, or written notice by or on behalf of some other person claiming some interest in the policy in conflict with the assignment.

[41-1826, added 1961, ch. 330, sec. 418, p. 645.]

41-1827. RIGHT TO INSPECT POLICIES IN FORCE. The director shall have the right to inspect any policy covering any risk in this state, and every policyholder shall produce and exhibit any policy in his possession or control when required for such inspection. Any person who violates this section shall be guilty of a misdemeanor and upon conviction thereof shall be punishable by a fine of not exceeding five hundred dollars (\$500).

[41-1827, added 1961, ch. 330, sec. 419, p. 645.]

41-1828. PAYMENT DISCHARGES INSURER -- PAYMENT TO MARITAL COMMUNITY. (1) Whenever the proceeds of or payments under a life or disability insurance policy or annuity contract heretofore or hereafter issued become payable in accordance with the terms of such policy or contract, or the exercise of any right or privilege thereunder, and the insurer makes payment thereof in accordance with the terms of the policy or contract or in accordance with any written assignment thereof, the person then designated in the policy or contract or by such assignment as being entitled thereto shall be entitled to receive such proceeds or payments and to give full acquittance therefor, and such payments shall fully discharge the insurer from all claims under the policy or contract unless, before payment is made, the insurer has received at its home office written notice by or on behalf of some other person that such other person claims to be entitled to such payment or some interest in the policy or contract.

(2) Where the person designated in the policy or contract or by assignment as being entitled thereto is a member of a marital community, whether husband or wife, and the policy or contract is upon the life or disability of either, he or she may receive payment, and shall be and is constituted agent of the marital community with authority to give full acquittance therefor; and such payment to the marital community agent so designated shall fully discharge the insurer from all claims under the policy or contract, but no rights of either member of the marital community, as between themselves, to accounting or division shall be impaired or affected by such payment.

[41-1828, added 1961, ch. 330, sec. 420, p. 645.]

41-1830. NOTICE OF LAPSE OR TERMINATION OF INDIVIDUAL LIFE INSURANCE. (1) Notwithstanding the provisions of section [41-1927](#), Idaho Code, an individual life insurance policy shall not be issued or delivered in this state until the applicant has been afforded the option of designating one (1) person, in addition to the applicant, to receive notice of lapse or termination of a policy for nonpayment of premium.

(2) A designation made pursuant to subsection (1) of this section shall be on a form provided by the insurer. The applicant shall, on such form, provide the full name, address and telephone number of the person designated to receive notice of lapse or termination of the policy for nonpayment of premium.

(3) The insurer shall annually notify a policy owner of the right to:

- (a) Make a designation pursuant to subsection (1) of this section;
- (b) Change the designee; and
- (c) Update the contact information of the designee.

(4) The policy owner may, at the policy owner's discretion, change the designee or change the contact information of the designee more often than annually, and the insurer shall make available the form for such changes at the policy owner's request.

(5) No individual life insurance policy shall lapse or be terminated for nonpayment of premium unless the insurer, at least fourteen (14) days prior to the effective date of the lapse or termination, sends notice by first-class United States mail to the policy owner and to the policy owner's designee, if a designation has been made pursuant to this section, of the lapse or termination, at the address or addresses provided by the policy owner for purposes of receiving such notice.

(6) The provisions of this section shall apply to any individual life insurance policy issued or in force on or after January 1, 2018. Provided however, that the provisions of this section do not apply to any life insurance policy under which premiums are payable monthly or more frequently.

[41-1830, added 2017, ch. 265, sec. 1, p. 660.]

41-1831. FORMS FOR PROOF OF LOSS TO BE FURNISHED. An insurer shall furnish, upon written request of any person claiming to have a loss under an insurance contract issued by such insurer, forms of proof of loss for completion by such person, but such insurer shall not, by reason of the requirement so to furnish forms, have any responsibility for or with reference to the completion of such proof or the manner of any such completion or attempted completion.

[41-1831, added 1961, ch. 330, sec. 423, p. 645.]

41-1832. CLAIMS ADMINISTRATION NOT WAIVER. Without limitation of any right or defense of an insurer otherwise, none of the following acts by or on behalf of an insurer shall be deemed to constitute a waiver of any provision of a policy or of any defense of the insurer thereunder:

(1) Acknowledgment of the receipt of notice of loss or claim under the policy.

(2) Furnishing forms for reporting a loss or claim, for giving information relative thereto, or for making proof of loss, or receiving or acknowledging receipt of any such forms or proofs completed or uncompleted.

(3) Investigating any loss or claim under any policy or engaging in negotiations looking toward a possible settlement of any such loss or claim.

[41-1832, added 1961, ch. 330, sec. 424, p. 645.]

41-1833. EXEMPTION OF PROCEEDS -- LIFE INSURANCE. (1) If a policy of insurance, whether heretofore or hereafter issued, is effected by any person on his own life, or on another life, in favor of a person other than himself, or, except in cases of transfer with intent to defraud creditors, if a policy of life insurance is assigned or in any way made payable to any such person, the lawful beneficiary or assignee thereof, other than the insured or the person so effecting such insurance or executors or administrators of such insured or the person so effecting such insurance, shall be entitled to its proceeds and avails against the creditors and representatives of the insured and of the person effecting the same, whether or not the right to change the beneficiary is reserved or permitted, and whether or not the policy is made payable to the person whose life is insured if the beneficiary or assignee shall predecease such person, and such proceeds and avails shall be exempt from all liability for any debt of the beneficiary existing at the time the policy is made available for his use: provided, that subject to the statute of limitations, the amount of any premiums for such insurance paid with intent to defraud creditors, with interest thereon, shall inure to their benefit from the proceeds of the policy; but the insurer issuing the policy shall be discharged of all liability thereon by payment of its proceeds in accordance with its terms, unless, before such payment, the insurer shall have received written notice at its home office, by or in behalf of a creditor, of a claim to recover for transfer made or premiums paid with intent to defraud creditors, with specification of the amount claimed.

(2) For the purposes of subsection (1) above, a policy shall also be deemed to be payable to a person other than the insured if and to the extent that a facility-of-payment clause or similar clause in the policy permits the insurer to discharge its obligation after the death of the individual insured by paying the death benefits to a person as permitted by such clause.

(3) This section shall not be affected by the terms of section [15-6-107](#), Idaho Code.

[41-1833, added 1961, ch. 330, sec. 425, p. 645; am. 2003, ch. 248, sec. 1, p. 639.]

41-1834. EXEMPTION OF PROCEEDS -- DISABILITY INSURANCE. Except as may otherwise be expressly provided by the policy or contract, the proceeds or avails of all contracts of disability insurance and of provisions providing benefits on account of the insured's disability which are supplemental to life insurance or annuity contracts heretofore or hereafter effected shall be exempt from all liability for any debt of the insured, and from any debt of the beneficiary existing at the time the proceeds are made available for his use.

This section shall not be affected by the terms of section [15-6-107](#), Idaho Code.

[41-1834, added 1961, ch. 330, sec. 426, p. 645; am. 2003, ch. 248, sec. 2, p. 640.]

41-1835. EXEMPTION OF PROCEEDS -- GROUP INSURANCE. (1) A policy of group life insurance or group disability insurance or the proceeds thereof payable to the individual insured or to the beneficiary thereunder, shall not be liable, either before or after payment, to be applied by any legal or equitable process to pay any debt or liability of such insured individual or his beneficiary or of any other person having a right under the policy. The proceeds thereof, when not made payable to a named beneficiary or to a third person pursuant to a facility-of-payment clause, shall not constitute a part of the estate of the individual insured for the payment of his debts.

(2) This section shall not apply to group insurance issued pursuant to this code to a creditor covering his debtors, to the extent that such proceeds are applied to payment of the obligation for the purpose of which the insurance was so issued.

(3) This section shall not be affected by the terms of section [15-6-107](#), Idaho Code.

[41-1835, added 1961, ch. 330, sec. 427, p. 645; am. 2003, ch. 248, sec. 3, p. 640.]

41-1836. EXEMPTION OF PROCEEDS -- ANNUITY CONTRACTS -- ASSIGNABILITY OF RIGHTS. (1) The benefits, rights, privileges and options which under any annuity contract heretofore or hereafter issued are due or prospectively due the annuitant, shall not be subject to execution nor shall the annuitant be compelled to exercise any such rights, powers, or options, nor shall creditors be allowed to interfere with or terminate the contract, except:

(a) As to amounts paid for or as premium on any such annuity with intent to defraud creditors, with interest thereon, and of which the creditor has given the insurer written notice at its home office prior to the making of the payments to the annuitant out of which the creditor seeks to recover. Any such notice shall specify the amount claimed or such facts as will enable the insurer to ascertain such amount, and shall set forth such facts as will enable the insurer to ascertain the annuity contract, the annuitant and the payments sought to be avoided on the ground of fraud.

(b) The total exemption of benefits presently due and payable to any annuitant periodically or at stated times under all annuity contracts under which he is an annuitant, shall not at any time exceed one thousand two hundred fifty dollars (\$1,250) per month for the length of time represented by such installments, and that such periodic payments in excess of one thousand two hundred fifty dollars (\$1,250) per month shall be subject to garnishee execution to the same extent as are wages and salaries.

(c) If the total benefits presently due and payable to any annuitant under all annuity contracts under which he is an annuitant, shall at any time exceed payment at the rate of one thousand two hundred fifty dollars (\$1,250) per month, then the court may order such annuitant to pay to a judgment creditor or apply on the judgment, in installments, such portion of such excess benefits as to the court may appear just and proper, after due regard for the reasonable requirements of the judgment debtor and his family, if dependent upon him, as well as any payments required to be made by the annuitant to other creditors under prior court orders.

(d) As to any deferred annuity contract having a cash surrender provision and from which no periodic payments are being made, the cash

surrender value of the deferred annuity contract, not to exceed premiums paid into the deferred annuity contract within six (6) months prior to the filing of a bankruptcy petition, as defined in 11 U.S.C. section 101, or the date of attachment or levy on execution, as defined in section [11-201](#), Idaho Code, whichever is applicable.

(2) If the contract so provides, the benefits, rights, privileges or options accruing under such contract to a beneficiary or assignee shall not be transferable nor subject to commutation, and if the benefits are payable periodically or at stated times, the same exemptions and exceptions contained herein for the annuitant, shall apply with respect to such beneficiary or assignee.

(3) An annuity contract within the meaning of this section shall be any obligation to pay certain sums at stated times, during life or lives, or for a specified term or terms, issued for a valuable consideration, regardless of whether or not such sums are payable to one (1) or more persons, jointly or otherwise, but does not include payments under life insurance contracts at stated times during life or lives, or for a specified term or terms.

(4) This section shall not be affected by the terms of section [15-6-107](#), Idaho Code.

[41-1836, added 1961, ch. 330, sec. 428, p. 645; am. 2001, ch. 285, sec. 1, p. 1020; am. 2003, ch. 248, sec. 4, p. 640; am. 2013, ch. 246, sec. 1, p. 596.]

41-1837. RETURN OF UNEARNED PREMIUMS ON DESTRUCTION OF PROPERTY. In the event of the total destruction of any insured property, on which the total amount of loss or agreed loss shall be less than the total amount insured thereon, the insurer or insurers shall return to the insured the unearned insurance premium for the excess of the insurance over the appraised or agreed loss, to be paid at the same time and in the same manner as the loss shall be paid.

[41-1837, added 1961, ch. 330, sec. 429, p. 645.]

41-1838. VENUE OF SUITS AGAINST INSURERS. Suit upon causes of action arising within this state against an insurer upon an insurance contract shall be brought in the county where the cause of action arose or in the county where the policy holder instituting such action resides.

[41-1838, added 1961, ch. 330, sec. 430, p. 645.]

41-1839. ALLOWANCE OF ATTORNEY'S FEES IN SUITS AGAINST OR IN ARBITRATION WITH INSURERS. (1) Any insurer issuing any policy, certificate or contract of insurance, surety, guaranty or indemnity of any kind or nature whatsoever that fails to pay a person entitled thereto within thirty (30) days after proof of loss has been furnished as provided in such policy, certificate or contract, or to pay to the person entitled thereto within sixty (60) days if the proof of loss pertains to uninsured motorist or underinsured motorist coverage benefits, the amount that person is justly due under such policy, certificate or contract shall in any action thereafter commenced against the insurer in any court in this state, or in any arbitration for recovery under the terms of the policy, certificate or contract, pay such further amount as the court shall adjudge reasonable as attorney's fees in such action or arbitration.

(2) In any such action or arbitration, if it is alleged that before the commencement thereof, a tender of the full amount justly due was made to the person entitled thereto, and such amount is thereupon deposited in the court, and if the allegation is found to be true, or if it is determined in such action or arbitration that no amount is justly due, then no such attorney's fees may be recovered.

(3) This section shall not apply as to actions under the worker's compensation law, [title 72](#), Idaho Code. This section shall not apply to actions or arbitrations against surety insurers by creditors of or claimants against a principal and arising out of a surety or guaranty contract issued by the insurer as to such principal, unless such creditors or claimants shall have notified the surety of their claim, in writing, at least sixty (60) days prior to such action or arbitration against the surety. The surety shall be authorized to determine what portion or amount of such claim is justly due the creditor or claimant and payment or tender of the amount so determined by the surety shall not be deemed a volunteer payment and shall not prejudice any right of the surety to indemnification and/or subrogation so long as such determination and payment by the surety be made in good faith. Nor shall this section apply to actions or arbitrations against fidelity insurers by claimants against a principal and arising out of a fidelity contract or policy issued by the insurer as to such principal unless the liability of the principal has been acknowledged by him in writing or otherwise established by judgment of a court of competent jurisdiction.

(4) Notwithstanding any other provision of statute to the contrary, this section and section [12-123](#), Idaho Code, shall provide the exclusive remedy for the award of statutory attorney's fees in all actions or arbitrations between insureds and insurers involving disputes arising under policies of insurance. Provided, attorney's fees may be awarded by the court when it finds, from the facts presented to it that a case was brought, pursued or defended frivolously, unreasonably or without foundation. Section [12-120](#), Idaho Code, shall not apply to any actions or arbitrations between insureds and insurers involving disputes arising under any policy of insurance.

[41-1839, added 1961, ch. 330, sec. 431, p. 645; am. 1965, ch. 105, sec. 1, p. 191; am. 1996, ch. 384, sec. 1, p. 1307; am. 1996, ch. 385, sec. 1, p. 1308; am. 2010, ch. 251, sec. 1, p. 641; am. 2013, ch. 257, sec. 1, p. 633.]

41-1840. PREPAYMENT OF CLAIMS. (1) No payment or payments made by any person, or by his insurer by virtue of an insurance policy, on account of bodily injury or death or damage to or loss of property of another, shall constitute an admission of liability or waiver of defense as to such injury, death, loss or damage, or be admissible in evidence in any action brought against the insured person or his insurer for damages, indemnity or benefits arising out of such injury, death, loss or damage unless pleaded as a defense to the action.

(2) All such payments shall be credited upon any settlement with respect to the same damage, expense or loss made by, or judgment or award rendered therefor in such an action against, the payor or his insurer, and in favor of any person to whom or on whose account payment was made.

[41-1840, as added by 1969, ch. 214, sec. 49, p. 625.]

41-1841. BLOCK CANCELLATIONS AND BLOCK NONRENEWALS -- NOTICE TO DIRECTOR REQUIRED. (1) Any insurer intending to implement block cancellations or block nonrenewals of insurance policies shall provide the director written notice of such intentions no later than one hundred twenty (120) days prior to such intended action. Such notice shall fully set forth reasons for such action and shall include additional information that the director may deem appropriate. Failure by any insurer to comply with the requirements of this section shall constitute a violation of the provisions of this section and shall render any policy cancellations or nonrenewals by the insurer null and void and without effect. The failure of any insurer to comply with the requirements of this section shall not affect the contract rights of insureds.

(2) At the end of sixty (60) days the intended insurer action shall be deemed approved unless prior thereto it has been affirmatively approved by order of the director.

(3) Block cancellations or block nonrenewals for the provisions of this section and the enforcement of this code, shall be defined to include any of the following: cancellation or nonrenewal of any class, line, type or subject of insurance, or the withdrawal from the business of insurance in Idaho.

(4) The requirements of this section are not a waiver or limitation of the provisions of this code, or other laws of this state, but are additional requirements.

(5) The director may issue reasonable regulations to establish requirements for reporting required herein.

[41-1841, added 1986, ch. 310, sec. 1, p. 762.]

41-1842. COMMERCIAL INSURANCE -- CANCELLATION -- NONRENEWAL. (1) Applicability. The provisions of this section apply only to:

- (a) Commercial property insurance policies;
- (b) Commercial liability insurance policies other than aviation and employer's liability insurance policies;
- (c) Commercial multiperil insurance policies.

The provisions of this section do not apply to: block cancellations or block nonrenewals as provided in section [41-1841](#), Idaho Code, reinsurance, excess and surplus lines insurance, residual market risks, worker's compensation insurance, multistate location risks, policies subject to retrospective rating plans, excess or umbrella policies and such other policies that are exempted by the director of the department of insurance.

(2) Definitions. For the purposes of this section:

- (a) "Cancellation" means termination of a policy at a date other than its expiration date.
- (b) "Expiration date" means the date upon which coverage under a policy ends. It also means, for a policy written for a term longer than one (1) year or with no fixed expiration date, each annual anniversary date of such policy.
- (c) "Nonpayment of premium" means the failure or inability of the named insured to discharge any obligation in connection with the payment of premiums on a policy of insurance subject to this section, whether such payments are payable directly to the insurer or its agent or indirectly payable under a premium finance plan or extension of credit.
- (d) "Nonrenewal" or "not to renew" means termination of a policy at its expiration date.
- (e) "Renewal" or "to renew" means the issuance, or the offer so to issue, by an insurer of a policy succeeding a policy previously issued and

delivered by the same insurer or an insurer within the same group of insurers, or the issuance of a certificate or notice extending the term of an existing policy for a specified period beyond its expiration date.

(3) Notice of cancellation.

(a) Permissible cancellations. If coverage under a policy has not been in effect for sixty (60) days and the policy is not a renewal, cancellation of such policy shall be effected by mailing or delivering a written notice to the first-named insured at the last known mailing address shown on the policy at least thirty (30) days before the effective date of the cancellation, provided however, if such cancellation is for the reason stated in subsection (3) (a) (i) of this section, the time such cancellation may be effective following notice shall be as provided in subsection (3) (b) (i) of this section. A cancellation requested by the insured shall be effective on the later of the date requested by the insured or the date it is received by the insurer. After coverage has been in effect for more than sixty (60) days or after the effective date of a renewal policy, whichever is earlier, no insurer shall cancel a policy unless the cancellation is based on at least one (1) of the following reasons:

- (i) Nonpayment of premium.
- (ii) Fraud or material misrepresentation made by or with the knowledge of the named insured in obtaining the policy, continuing the policy, or in presenting a claim under the policy.
- (iii) Activities or omissions on the part of the named insured which increase any hazard insured against, including a failure to comply with loss control recommendations.
- (iv) Change in the risk which materially increases the risk of loss after insurance coverage has been issued or renewed including, but not limited to, an increase in exposure to regulation, legislation or court decision.
- (v) Loss or decrease of the insurer's reinsurance covering all or part of the risk or exposure by the policy.
- (vi) Determination by the director that the continuation of the policy would jeopardize an insurer's solvency or would place the insurer in violation of the insurance laws of this state or any other state.
- (vii) Violation or breach by the insured of any policy terms or conditions other than nonpayment of premium.

(b) Notification of cancellation.

(i) A notice of cancellation of insurance coverage by an insurer shall be in writing and shall be mailed or delivered to the first-named insured at the last known mailing address as shown on the policy. Notices of cancellation based on subsections (3) (a) (ii) through (a) (vii) of this section shall be mailed or delivered at least thirty (30) days prior to the effective date of the cancellation. Notices of cancellation for the reason stated in subsection (3) (a) (i) of this section without regard to when such cancellation shall be effected shall be mailed or delivered at least ten (10) days prior to the effective date of cancellation. If delivered via United States mail, the ten (10) day notification period shall begin to run five (5) days following the date of postmark. The notice shall state the effective date of the cancellation.

(ii) The insurer shall provide the first-named insured with a written statement setting forth the reason(s) for the cancellation if: (1) the insured requests such a statement in writing; and (2) the named insured agrees in writing to hold the insurer harmless from liability for any communication giving notice of or specifying the reasons for a cancellation or for any statement made in connection with an attempt to discover or verify the existence of conditions which would be a reason for a cancellation under this section.

(4) Notice of nonrenewal.

(a) An insurer may decline to renew a policy if the insurer delivers or mails to the first-named insured, at the last known mailing address, written notice that the insurer will not renew the policy. Such notice shall be mailed or delivered at least forty-five (45) days before the expiration date. If the notice is mailed less than forty-five (45) days before expiration, coverage shall remain in effect until forty-five (45) days after notice is mailed or delivered. Earned premium for any period of coverage that extends beyond the expiration date shall be considered pro rata based upon the previous year's rate. For purposes of this section, the transfer of a policyholder between companies within the same insurance group is not a nonrenewal or a refusal to renew. In addition, changes in deductibles, changes in premium, and changes in the amount of insurance or reductions in policy limits or coverage shall not be deemed to be nonrenewals or refusals to renew. Notice of nonrenewal is not required if:

(i) The insurer or a company within the same insurance group has offered to issue a renewal policy; or

(ii) Where the named insured has obtained replacement coverage or has agreed in writing to obtain replacement coverage.

(b) If an insurer provides the notice described in subsection (4) of this section and thereafter the insurer extends the policy for ninety (90) days or less, an additional notice of nonrenewal is not required with respect to the extension.

(5) Notice of premium or coverage changes. An insurer shall mail or deliver to the named insured, at the last known mailing address, written notice of a total premium increase greater than ten percent (10%) which is the result of a comparable increase in premium rates, changes in deductibles, reductions in limits, or reductions in coverages at least thirty (30) days prior to the expiration date of the policy. If the insurer fails to provide such thirty (30) day notice, the coverage provided to the named insured shall remain in effect until thirty (30) days after such notice is given or until the effective date of replacement coverage obtained by the named insured, whichever first occurs. For the purposes of this section, notice is considered given thirty (30) days following date of mailing or delivery of the notice to the named insured. If the insured elects not to renew, any earned premium for the period of extension of the terminated policy shall be calculated pro rata at the lower of the current or previous year's rate. If the insured accepts the renewal, the premium increase, if any, and other changes shall be effective on and after the first day of the renewal term.

(6) Proof of notice. Proof of mailing of notice of cancellation, or of nonrenewal or of premium or coverage changes, to the named insured at the last known mailing address showing on the policy, shall be sufficient proof of notice.

(7) Application, effective date and termination. The provisions of this section shall apply only to policies with coverage effective dates after the effective date of this section.

(8) Rules. The director may promulgate rules to implement the provisions of this section. Every rule promulgated within the authority conferred by this act shall be of temporary effect and shall become permanent only by enactment by statute at the regular session of the legislature first following adoption of the rule. Rules not approved in the above manner shall be rejected, null, void and of no force and effect on July 1, following submission of the rules to the legislature.

[41-1842, added 1990, ch. 240, sec. 2, p. 683; am. 1993, ch. 231, sec. 1, p. 804; am. 2006, ch. 359, sec. 2, p. 1094.]

41-1843. INSURANCE RATES AND CREDIT RATING. (1) No insurer regulated pursuant to this title shall charge a higher premium than would otherwise be charged, or cancel, nonrenew or decline to issue a property or casualty policy or coverage based primarily upon an individual's credit rating or credit history.

(2) As used in this section, "based primarily" means that the weight given by the insurer to an individual's credit rating or credit history exceeds the weight given by the insurer to all other criteria considered in making the decision to charge a higher premium or to cancel, nonrenew or decline to issue an insurance policy.

(3) This section shall apply only to property or casualty insurance, as defined in [chapter 5, title 41](#), Idaho Code, to be used primarily for personal, family or household purposes.

[41-1843, added 2002, ch. 264, sec. 1, p. 786.]

41-1844. PRESCRIPTION DRUG BENEFIT RESTRICTIONS PROHIBITED. (1) A group policy or contract providing for third-party payment or prepayment for prescription drugs may designate an affiliated mail order pharmacy or other specific pharmacy but it shall not require a person covered under the policy or contract to obtain prescription drugs from the mail order pharmacy or any specifically designated pharmacy, nor shall it set forth provisions for the payment of additional fees or deductibles by the covered person as a condition of obtaining benefits for prescription drugs if a registered pharmacy selected by the covered person agrees to provide pharmaceutical services under the same terms and conditions as those provided by said mail order pharmacy or specifically designated pharmacy.

(2) Group policy or contracts providing for third-party payment or for prescription drugs delivered, issued for delivery, continued, or renewed in this state on or after July 1, 1991, are subject to the provisions of this section.

[41-1844, added 1991, ch. 123, sec. 1, p. 268.]

41-1845. RECREATIONAL-RELATED ACTIVITIES. (1) No company providing health insurance benefits may:

(a) Deny health care coverage to any individual based solely on that individual's casual or nonprofessional participation in the following activities: motorcycling, snowmobiling, off-highway vehicle riding, skiing, snowboarding, horseback riding or similar activities; or

(b) Exclude medical benefits under health care coverage to any covered individual based solely on that individual's casual or nonprofessional participation in the following activities: motorcycling, snowmobiling, off-highway vehicle riding, skiing, snowboarding, horseback riding or similar activities.

(2) Nothing in this section shall preclude, alter or otherwise affect the subrogation rights of companies providing health insurance benefits.

[41-1845, added 2003, ch. 303, sec. 1, p. 833.]

41-1846. HEALTH CARE POLICIES -- APPLICABILITY -- REQUIREMENT. (1) An insurer offering a health care policy that does not meet the definition of a managed care plan as provided in section [41-3903](#)(15), Idaho Code:

(a) Must have the intent to render and the capability for rendering or providing coverage for good quality health care services, which will be and are readily available and accessible to its insureds both within and outside the state of Idaho, and such services must be reasonably responsive to the needs of insureds;

(b) When "emergency services" are provided, they shall be provided as set forth in section [41-3903](#)(7), Idaho Code, and shall not require prior authorization;

(c) Shall include on its website and/or send annually to its policyholders:

(i) A statement as to whether the plan includes a limited formulary of medications and a statement that the formulary will be made available to any member on request;

(ii) Notification of any change in benefits; and

(iii) A description of all prior authorization review procedures for health care services;

(d) Shall adopt procedures for a timely review by a licensed physician, peer provider or peer review panel when a claim has been denied as not medically necessary or as experimental. The procedure shall provide for a written statement of the reasons the service was denied and transmittal of that information to the appropriate provider for inclusion in the insured's permanent medical record;

(e) When prior approval for a covered service is required of and obtained by or on behalf of an insured, the approval for the specific procedure shall be final and may not be rescinded after the covered service has been provided except in cases of fraud, misrepresentation, nonpayment of premium, exhaustion of benefits or if the insured for whom the prior approval was granted is not enrolled at the time the covered service was provided; and

(f) Shall not offer a provider any incentive that includes a specific payment made, in any type or form, to the provider as an inducement to deny, reduce, limit, or delay specific, medically necessary, and appropriate services covered by the health care policy.

(2) No health care provider shall require an insured to make additional payments for covered services under a policy subject to subsection (1) of this section, other than specified deductibles, copayments or coinsurance once a provider has agreed in writing to accept the insurer's reimbursement rate to provide a covered service.

[41-1846, added 2004, ch. 283, sec. 1, p. 798.]

41-1847. ASSIGNMENT OF HEALTH INSURANCE CONTRACTS. (1) No insurer, as defined in section [41-5601](#), Idaho Code, shall assign the benefits of any contract with a practitioner or facility, as defined in section [41-5601](#), Idaho Code, that contains an agreement by the practitioner or facility to provide services to a patient covered by the insurer at a fee which is discounted from that practitioner's or facility's usual and customary fee, unless the contract between the insurer and the practitioner or facility, in conspicuous and plain language, specifically permits the contract to be assigned.

(2) An insurer shall send prompt written or electronic notice to the practitioner or facility, in conformance with the notice provisions of the contract between the insurer and the practitioner or facility, of each assignment it makes that is permitted by subsection (1) of this section. The notice shall identify the name and principal business address of each assignee.

(3) An assignment in violation of this section shall be void. The director shall enforce the provisions of this section and shall review and, if appropriate, investigate complaints received by the department related to noncompliance with the provisions of this section. If the director determines an insurer has violated the provisions of this section, the director may impose an administrative fine not to exceed five thousand dollars (\$5,000) based upon an enforcement action. The director shall not suspend or revoke an insurer's certificate of authority for violation of this section. This section shall not create a private cause of action by or on behalf of a beneficiary or practitioner or facility against an insurer.

[41-1847, added 2008, ch. 139, sec. 1, p. 400.]

41-1848. LEGISLATIVE FINDINGS AND PURPOSE -- COVERAGE FOR ABORTIONS IN STATE EXCHANGE PROHIBITED. (1) The legislature finds that:

(a) Pursuant to section 1303 of the patient protection and affordable care act, P.L. 111-148, states are explicitly permitted to pass laws prohibiting qualified health plans offered through an exchange in their state from offering abortion coverage;

(b) It is the longstanding policy of this state to prefer live child-birth over abortion and to prohibit the use of taxpayer moneys to fund abortions unless the mother's life is at risk or the pregnancy is a result of rape or incest;

(c) Idaho law prohibits certain insurance plans, policies and contracts issued in this state from offering coverage for elective abortions; and

(d) It is the purpose of this section to affirmatively prohibit qualified health plans that cover abortions from participating in exchanges within this state.

(2) Notwithstanding any other provision of law, no abortion coverage may be provided by a qualified health plan offered through an exchange created pursuant to the patient protection and affordable care act, P.L. 111-148, within the state of Idaho.

(3) The provisions of subsection (2) of this section shall not apply to an abortion performed if it is the recommendation of one (1) consulting physician that an abortion is necessary to save the life of the mother, or if the pregnancy is a result of rape, as defined in section [18-6101](#), Idaho Code, or incest as determined by the courts.

[41-1848, added 2011, ch. 152, sec. 1, p. 436.]

41-1849. CONTRACTS WITH PROVIDERS OF DENTAL SERVICES. (1) No person contracting with dentists to provide coverage or reimbursement for dental services may require, as an element of any dental care provider participation contract, that the provider agree to adopt fees set by the person for dental care services that are not covered services under the contract. "Covered services" as used in this section means dental care services and procedures under the applicable dental plan, dental plan contract, or plan benefits for which payment is available to the covered person or dentist under the covered person's plan or contract or for which payment to the covered person or to the dentist would be available but for the application of contractual limitations on reimbursement, such as deductibles, copayments, coinsurance, and waiting periods. All services or procedures are no longer covered services, and the plan can no longer impose, contractually or otherwise, a fee schedule or other limitation when the following criteria have been met:

(a) When the third-party payer is no longer liable for paying for an individual service or a procedure, in part or in whole, due to calendar-year limitations or benefit-year limitations; and

(b) A patient has received dental services and procedures that equal an additional one hundred percent (100%) of the amount of the patient's capped annual maximum benefit for the calendar year or benefit year.

Once a patient's capped annual maximum benefit amount for a calendar year or benefit year has been exceeded by one hundred percent (100%), a dentist may choose to provide dental services or procedures according to a plan's fee schedule or to provide dental services or procedures at a fee agreed upon with the patient. The dentist must confer with and provide notice to the patient regarding the patient's change in fee status, and any agreed-upon fee shall not exceed the lowest fee available to the dentist's uninsured patients.

(2) A person contracting with dentists must provide one (1) or more methods of payment or reimbursement that:

(a) Provide the dentist one hundred percent (100%) of the contracted amount of the payment or reimbursement; and

(b) Do not require the dentist to incur a fee to access the payment or reimbursement.

(3) A person contracting with dentists may extend the provider network to other entities when:

(a) Full disclosure of the agreement has been provided to the dentist, including any variations in obligations and fee schedule from the original contract; and

(b) The dentist has been provided a timeframe of no less than two (2) weeks to decline participation.

This subsection shall not apply to a person operating in accordance with the same brand licensee program as the contracting person or to a person that is an affiliate, as long as the contractual terms, obligations, and fee schedule remain the same as the original agreement.

(4) Subsections (2) and (3) of this section shall apply to any contract with providers for dental services that is issued after December 31, 2021. Contracts that are in existence on December 31, 2021, shall be brought into compliance on the next anniversary date, the renewal date, or the expiration date of the applicable collective bargaining contract, if any, whichever date is latest.

[41-1849, added 2010, ch. 126, sec. 1, p. 272; am. 2019, ch. 153, sec. 1, p. 505; am. 2021, ch. 184, sec. 1, p. 505.]

41-1850. CERTIFICATES OF INSURANCE. (1) For purposes of this section, the following terms have the following meanings:

(a) "Certificate" or "certificate of insurance" means any document or instrument, no matter how titled or described, that is prepared or issued as evidence of property or casualty insurance coverage. "Certificate" or "certificate of insurance" shall not include a policy of insurance, insurance binder, policy endorsement or automobile insurance identification card.

(b) "Certificate holder" means any person, other than a policyholder, that requests, obtains or possesses a certificate of insurance.

(c) "Insurance producer" has the same meaning as provided for in [chapter 10, title 41](#), Idaho Code.

(d) "Insurer" has the same definition as provided for in section [41-103](#), Idaho Code.

(e) "Person" means any individual, partnership, corporation, association or other legal entity, including any government or governmental subdivision or agency.

(f) "Policyholder" means a person that has contracted with a property or casualty insurer for insurance coverage.

(g) "Group master policy" means an insurance policy that provides coverage to eligible persons on a group basis through a group insurance program.

(2) No person, wherever located, may prepare, issue or knowingly request the issuance of a certificate of insurance unless the form has been filed with the director by or on behalf of an insurer. No person, wherever located, may alter or modify a certificate of insurance form unless the alteration or modification has been filed with the director.

(3) The director shall disapprove the use of any form filed under this section, or withdraw approval of a form, if the form:

(a) Is unfair, misleading or deceptive, or violates public policy;

(b) Fails to comply with the requirements of this section; or

(c) Violates any provision of [title 41](#), Idaho Code, including any rule promulgated by the director.

(4) Each certificate of insurance must contain the following or similar statement: "This certificate of insurance is issued as a matter of information only and confers no rights upon the certificate holder. This certificate does not alter, amend or extend the coverage, terms, exclusions and conditions afforded by the policies referenced herein."

(5) The current edition of standard certificate of insurance forms promulgated and filed with the director by the association for cooperative operations research and development (ACORD) or the insurance services office (ISO) are not required to be refiled by individual insurers.

(6) No person, wherever located, shall demand or request the issuance of a certificate of insurance or other document, record or correspondence that the person knows contains any false or misleading information or that purports to affirmatively or negatively alter, amend or extend the coverage provided by the policy of insurance to which the certificate makes reference.

(7) No person, wherever located, may knowingly prepare or issue a certificate of insurance or other document, record or correspondence that con-

tains any false or misleading information or that purports to affirmatively or negatively alter, amend or extend the coverage provided by the policy of insurance to which the certificate makes reference.

(8) The provisions of this section shall apply to all certificate holders, policyholders, insurers, insurance producers and certificate of insurance forms issued as evidence of property or casualty insurance coverages on property, operations or risks located in this state, regardless of where the certificate holder, policyholder, insurer or insurance producer is located.

(9) A certificate of insurance is not a policy of insurance and does not affirmatively or negatively alter, amend or extend the coverage afforded by the policy to which the certificate of insurance makes reference. A certificate of insurance shall not confer to a certificate holder new or additional rights beyond what the referenced policy of insurance provides.

(10) A certificate of insurance may not warrant that the policy of insurance referenced in the certificate comply with the insurance or indemnification requirements of a contract, and the inclusion of a contract number or description, or project number or description, within a certificate of insurance may not be interpreted as doing such. Notwithstanding any requirement, term or condition of any contract or other document with respect to which a certificate of insurance may be issued or may pertain, the insurance afforded by the referenced policy of insurance is subject to all the terms, exclusions and conditions of the policy itself.

(11) A person is entitled to receive notice of cancellation, nonrenewal or any material change or any similar notice concerning a policy of insurance only if the person has such notice rights under the terms of the policy or any endorsement to the policy. The terms and conditions of the notice, including the required timing of the notice, are governed by the policy of insurance or endorsement and may not be altered by a certificate of insurance.

(12) Any certificate of insurance or any other document, record or correspondence prepared, issued or requested in violation of this section shall be null and void and of no force and effect.

(13) Any person that violates this section shall be subject to an administrative penalty imposed by the director in an amount as provided for in section [41-117](#), Idaho Code, per violation.

(14) The director shall have the power to examine and investigate the activities of any person that the director believes has been or is engaged in an act or practice prohibited by this section. The director shall have the power to enforce the provisions of this section and impose any authorized penalty or remedy against any person that violates this section.

(15) The director may, in accordance with section [41-211](#), Idaho Code, adopt reasonable rules as are necessary or proper to carry out the provisions of this section.

(16) This section shall not apply to any certificate of insurance prepared and/or issued by an insurer pursuant to any federal law, rule or regulation, or any other law, rule or regulation of this state, in which the specific content and form of said certificate is enumerated therein, or a certificate issued to a person or entity that has purchased coverage under a group master policy.

[41-1850, added 2012, ch. 314, sec. 1, p. 863; am. 2018, ch. 214, sec. 1, p. 483.]

41-1851. ELECTRONIC NOTICES AND DOCUMENTS. (1) In this section, the following words shall have the following meanings:

(a) "Delivered by electronic means" includes:

- (i) Delivery to an electronic mail address at which a party has consented to receive notices or documents; or
- (ii) Posting on an electronic network or site accessible via the internet, mobile application, computer, mobile device, tablet or any other electronic device, together with separate notice to a party directed to the electronic mail address at which the party has consented to receive notice of the posting;
- (iii) Delivery or posting directly to a mobile device or other electronic device accessible by a party that has consented to conduct insurance transactions electronically.

(b) "Party" means any recipient of any notice or document required as part of an insurance transaction including, but not limited to, an applicant, an insured, a policyholder or an annuity contract holder.

(2) Pursuant to subsection (4) of this section, any notice to a party or any other document required under applicable law in an insurance transaction or that is to serve as evidence of insurance coverage may be delivered, stored and presented by electronic means so long as it meets the requirements of the uniform electronic transactions act, [chapter 50, title 28](#), Idaho Code.

(3) Delivery of a notice or document in accordance with this section shall be considered equivalent to any delivery method required under applicable law, including: delivery by first class mail; first class mail, postage prepaid; certified mail; certificate of mail; or certificate of mailing.

(4) A notice or document may be delivered by electronic means by an insurer to a party under this section if the party has affirmatively consented to that method of delivery and has not withdrawn the consent.

(5) This section does not affect requirements related to content or timing of any notice or document required under applicable law.

(6) If a provision of this title or applicable law requiring a notice or document to be provided to a party expressly requires verification or acknowledgment of receipt of the notice or document, the notice or document may be delivered by electronic means only if the method used provides for verification or acknowledgment of receipt. In the absence of verification or acknowledgment of receipt, the insurer shall mail a paper copy of the notice or document within three (3) days via United States mail.

(7) The legal effectiveness, validity or enforceability of any contract or policy of insurance executed by a party may not be denied solely because of the failure to obtain electronic consent or confirmation of consent of the party.

(8) (a) A withdrawal of consent by a party does not affect the legal effectiveness, validity or enforceability of a notice or document delivered by electronic means to the party before the withdrawal of consent is effective.

(b) A withdrawal of consent by a party is effective within a reasonable period of time after receipt of the withdrawal by the insurer.

(9) The provisions of this section do not apply to a notice or document delivered by an insurer in an electronic form before the effective date of this act to a party who, before that date, has consented to receive notice or document in an electronic form otherwise allowed by law.

(10) If the consent of a party to receive certain notices or documents in an electronic form is on file with an insurer before the effective date

of this act, and pursuant to the provisions of this section, an insurer intends to deliver additional notices or documents to such party in an electronic form, then prior to delivering such additional notices or documents electronically the insurer shall notify the party of:

(a) The notices or documents that may be delivered by electronic means under this section that were not previously delivered electronically; and

(b) The party's right to withdraw consent to have notices or documents delivered by electronic means.

(11) (a) Except as otherwise provided by law, if an oral communication or a recording of an oral communication from a party can be reliably stored and reproduced by an insurer, the oral communication or recording may qualify as a notice or document delivered by electronic means for the purposes of this section.

(b) If a provision of this title or applicable law requires a signature or notice or document to be notarized, acknowledged, verified or made under oath, the requirement is satisfied if the electronic signature of the person authorized to perform those acts, together with all other information required to be included by the provision, is attached to or logically associated with the signature, notice or document.

(12) The provisions of this section may not be construed to modify, limit or supersede the provisions of the federal electronic signatures in global and national commerce act, P.L. 106-229, as amended.

[41-1851, added 2013, ch. 269, sec. 1, p. 697.]

41-1852. DISCRIMINATION AGAINST LIVING ORGAN DONORS PROHIBITED. (1) For purposes of this section, "policy" means a life insurance policy, disability insurance policy or long-term care insurance policy.

(2) Notwithstanding any provision of law to the contrary, it shall be unlawful to discriminate against a person in the offering, issuance, cancellation, price or conditions of a policy, or in the amount of coverage provided under a policy, based solely and without any additional actuarial risks on the status of such person as a living organ donor.

(3) The director of the department of insurance may take such actions authorized under this title that are necessary to enforce this section.

[41-1852, added 2018, ch. 167, sec. 1, p. 341.]

41-1853. PLANS COVERING CONTRACEPTION. (1) As used in this section:

(a) "Health benefit plan" shall have the same meaning as provided in section [41-5501](#), Idaho Code.

(b) "Prescription contraception" means all drugs, devices, and products approved by the United States food and drug administration that are used to prevent pregnancy and that are prescribed by an enrollee's provider. The term "prescription contraception" does not include drugs, devices, or products intended to induce abortion as defined by section [18-604](#), Idaho Code.

(2) A health benefit plan or student health benefit plan issued or renewed on or after January 1, 2025, that includes coverage for prescription contraception must:

(a) Provide reimbursement for prescription contraception intended to last six (6) months obtained at one (1) time by the enrollee, unless:

- (i) No prescription contraception has previously been prescribed to the enrollee, in which case the prescribing provider shall prescribe a smaller supply; or
 - (ii) The enrollee requests a smaller supply or the prescribing provider instructs that the enrollee must receive a smaller supply; and
- (b) Allow enrollees to receive prescription contraception on-site at the prescribing provider's office, if available. Any dispensing practices required by the plan must follow clinical guidelines for appropriate prescribing and dispensing to ensure the health of the patient while maximizing access to effective prescription contraception.
- (3) Nothing in this section shall be construed to require a health benefit plan or a student health benefit plan to provide reimbursement for drugs, devices, or products intended to induce abortion as defined in section [18-604](#), Idaho Code, or for any emergency contraception approved by the United States food and drug administration.

[41-1853, added 2024, ch. 53, sec. 1, p. 267.]