

IN THE SENATE

SENATE BILL NO. 1139

BY JUDICIARY AND RULES COMMITTEE

AN ACT

1 RELATING TO SECURITY FOR COMPENSATION; AMENDING SECTION 72-301, IDAHO CODE,
2 TO PROVIDE CORRECT TERMINOLOGY, TO REVISE PROVISIONS RELATING TO CER-
3 TAIN MONEY AND BOND REQUIREMENTS FOR INSURERS TRANSACTING WORKER'S COM-
4 PENSATION INSURANCE AND TO MAKE TECHNICAL CORRECTIONS.
5

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

7 SECTION 1. That Section 72-301, Idaho Code, be, and the same is hereby
8 amended to read as follows:

9 72-301. SECURITY FOR PAYMENT OF COMPENSATION. Every employer shall
10 secure the payment of compensation under this law in one (1) of the following
11 ways:

12 (1) By insuring and keeping insured with a policy of ~~workmen's~~
13 worker's compensation insurance as defined ~~by in~~ section 41-506(d), Idaho
14 Code, the payment of compensation with any ~~surety~~ insurer, as defined in
15 section 41-103, Idaho Code, authorized by the director of the department
16 of insurance to transact such insurance, provided, that every public em-
17 ployer shall insure its liability for payment of compensation with the state
18 insurance fund unless such fund shall refuse to accept the risk when the
19 application for insurance is made; or

20 (2) An employer may become self-insured by obtaining the approval of
21 the industrial commission, and by depositing and maintaining with the com-
22 mission security satisfactory to the commission securing the payment by said
23 employer of compensation according to the terms of this law. Such security
24 may consist of a surety bond or guaranty contract with any company authorized
25 to transact surety insurance in Idaho. The commission shall adopt rules ~~and~~
26 ~~regulations~~ governing the qualifications of self-insured employers, the na-
27 ture and amount of security to be deposited with the commission, and the con-
28 ditions under which an employer may continue to be self-insured.

29 No ~~surety~~ insurer shall be permitted to transact ~~workmen's~~ worker's
30 compensation insurance covering the liability of employers under this law
31 unless it shall have been authorized to do business under the laws of this
32 state and until it shall have received the approval of the commission. To the
33 end that the ~~workmen~~ workers secured under this ~~act~~ law shall be adequately
34 protected, the commission shall require such ~~sureties~~ insurer to deposit
35 and maintain with the treasurer of the state money or bonds of the United
36 States or of this state, or interest-paying bonds when they are at or above
37 par, or any other state of the United States or the District of Columbia, or
38 the bonds of any county or municipal corporation of this or any other state
39 of the United States or the District of Columbia in an amount equal to the
40 total amounts of all outstanding and unpaid compensation awards against such
41 ~~surety~~ insurer. In lieu of such money or bonds the commission may allow or
42 require such ~~surety~~ insurer to file or maintain with the treasurer of the

1 state a surety bond of some company or companies authorized to do business
2 in this state for and in the amounts equaling the total unpaid compensation
3 awards against such surety insurer. The approval by the commission of any
4 surety insurer or self-insured employer may be withdrawn if it shall appear
5 to the commission that ~~workmen~~ workers secured thereby under this law are not
6 fully protected.