

IN THE SENATE

SENATE BILL NO. 1269

BY COMMERCE AND HUMAN RESOURCES COMMITTEE

AN ACT

1
2 RELATING TO INSURANCE; AMENDING SECTION 41-2503, IDAHO CODE, TO DEFINE A
3 TERM, TO PROVIDE A LIMITATION ON CERTAIN COVERAGE, TO PROVIDE CERTAIN
4 RULEMAKING AUTHORITY, AND TO MAKE TECHNICAL CORRECTIONS; AND DECLARING
5 AN EMERGENCY AND PROVIDING AN EFFECTIVE DATE.

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

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

9 41-2503. DEFINITIONS AND APPLICATION. (1) For the purposes of unin-
10 sured motorist coverage, the term "uninsured motor vehicle" shall, subject
11 to the terms and conditions of such coverage, be deemed to include an insured
12 motor vehicle where the liability insurer thereof is unable to make payment
13 with respect to the legal liability of its insured within the limits speci-
14 fied therein because of insolvency.

15 (2) For purposes of underinsured motorist coverage, subject to the fur-
16 ther definitions, terms, and conditions of such coverage, the term "underin-
17 sured motor vehicle" means a motor vehicle that is a self-insured motor vehi-
18 cle, or a motor vehicle that is covered by a policy of motor vehicle liabil-
19 ity insurance or an indemnity bond, with limits for bodily injury or death at
20 least equal to those limits set forth in section 49-117, Idaho Code.

21 (3) With respect to policies issued or renewed on or after January 1,
22 2023, "underinsured motor vehicle coverage" means excess coverage in addi-
23 tion to the insufficient coverage of the tortfeasor, and such underinsured
24 motor vehicle coverage limits may not be reduced by amounts paid by the tort-
25 feasor's coverage or any other coverage. The covered insured may not recover
26 from the available underinsured motor vehicle policy or policies an amount
27 greater than the total legal liability of the tortfeasor or the applicable
28 limits of the underinsured coverage or coverages, whichever is less. This
29 subsection shall not apply with respect to motor vehicle insurance policies
30 in effect before January 1, 2023. The department of insurance is authorized
31 to promulgate rules to implement and enforce the provisions of this subsec-
32 tion.

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

37 SECTION 2. An emergency existing therefor, which emergency is hereby
38 declared to exist, this act shall be in full force and effect on and after
39 July 1, 2022.