

IN THE SENATE

SENATE BILL NO. 1048

BY COMMERCE AND HUMAN RESOURCES COMMITTEE

AN ACT

1 RELATING TO INSURANCE; AMENDING SECTION 41-2502, IDAHO CODE, TO PROVIDE FOR
2 A CERTAIN STATEMENT.
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4 Be It Enacted by the Legislature of the State of Idaho:

5 SECTION 1. That Section 41-2502, Idaho Code, be, and the same is hereby
6 amended to read as follows:

7 41-2502. UNINSURED MOTORIST AND UNDERINSURED MOTORIST COVERAGE FOR
8 AUTOMOBILE INSURANCE -- EXCEPTIONS. (1) Except as otherwise provided in
9 subsection (2) of this section, no owner's or operator's policy of motor
10 vehicle liability insurance that is subject to the requirements of section
11 49-1212(1) or (2), Idaho Code, shall be delivered or issued for delivery
12 in this state with respect to any motor vehicle registered or principally
13 garaged in this state unless coverage is provided therein or supplemental
14 thereto, in limits for bodily injury or death as set forth in section 49-117,
15 Idaho Code, as amended from time to time, under provisions approved by the
16 director of the department of insurance, for the protection of persons in-
17 sured thereunder who are legally entitled to recover damages from owners or
18 operators of uninsured and underinsured motor vehicles because of bodily
19 injury, sickness or disease, including death, resulting therefrom.

20 (2) A named insured shall have the right to reject either or both unin-
21 sured motorist coverage or underinsured motorist coverage, which rejection
22 must be in writing or in an electronic record as authorized by the uniform
23 electronic transactions act, chapter 50, title 28, Idaho Code, and such re-
24 jection shall be effective as to all other insureds and named insureds; and
25 after which such rejected coverage need not be provided in or supplemental to
26 a renewal or replacement policy issued by the same insurer or an affiliate of
27 that insurer.

28 (3) Prior to the issuance of any new policy or the first renewal or
29 replacement of any existing policy of motor vehicle liability insurance
30 with an effective date on or after January 1, 2009, a named insured shall be
31 provided a standard statement approved by the director of the department of
32 insurance, explaining in summary form, both uninsured and underinsured mo-
33 torist coverage, and the different forms of underinsured motorist coverage
34 that might be available from insurers in Idaho.

35 (4) The provisions of this section shall not apply to policies of motor
36 vehicle liability insurance for coverage on all-terrain vehicles, utility
37 type vehicles, specialty off-highway vehicles or motorbikes as those terms
38 are defined in section 67-7101, Idaho Code.

39 (5) After July 1, 2018, an insurer offering underinsured motorist cov-
40 erage to a named insured, where the insurer when providing such coverage re-
41 duces the amount paid under the underinsured motorist vehicle coverage by
42 the tortfeasor's coverage or any other applicable liability coverage, shall

1 provide a statement prior to the issuance of any new policy or the first re-
2 newal or replacement of any existing policy of underinsured motorist vehi-
3 cle coverage explaining in summary form how such coverage is applied by the
4 insurer. Insurers who offer underinsured motor vehicle coverage as excess
5 coverage where the stated amount of such coverage is in addition to the in-
6 sufficient coverage of the tortfeasor and where coverage limits are not re-
7 duced by amounts paid by the tortfeasor's coverage or any other applicable
8 liability coverage are not required to provide the statement described in
9 this subsection.