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Idaho's Code of Administrative Rules: Department of Insurance Updates

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The 2019 Idaho legislature failed to reauthorize the state's code of administrative rules, which caused all state administrative rules to expire. At Governor Brad Little's direction, the state agencies used the expiration of their rules to eliminate unneeded or redundant regulation and to update out-of-date rules. The revised rules took effect on July 1, 2019, as temporary rules that will remain in effect through at least the 2020 legislative session. There are several changes made to the rules of the Idaho Department of Insurance, which are outlined below. While the State Fire Marshall is also housed in the Department of Insurance, this summary excludes changes to rules related to the fire code.

1. Most rules were reauthorized in their entirety with minimal changes. The Department, however, did take the opportunity to reorganize and renumber its rules. The full list of currently in force rules is available at <https://adminrules.idaho.gov/rules/current/18/index.html>
2. The following rules were allowed to completely expire. The expiration of these rules generally clarifies, but does not change, the legal requirements for insurers operating in Idaho. For the most part, these expiring rules were generally superseded by later legislation or were duplicative of other rules.
 - a. 18.01.03, Military Sales Practices Rule
 - b. 18.01.07, Maternity Benefits Under Hospital, Surgical, and Medical Contracts in Idaho
 - c. 18.01.14, Proxies, Consents, and Authorizations of Domestic Stock Insurers
 - d. 18.01.15, Fingerprinting of Producer License Applicants
 - e. 18.01.17, Surplus Lines -- Delegation of Responsibility
 - f. 18.01.18, Open Lines for Export -- Surplus Lines
 - g. 18.01.33, Domestic Insurer Purchasing and Selling of Exchange-Traded Call and Put Options
 - h. 18.01.39, Rebates and Illegal Inducements in Title Insurance Business
 - i. 18.01.45, Domestic Insurers Regarding Financial Futures Contracts

- j. 18.01.51, Unfair Discrimination on the Basis of Blindness or Partial Blindness
 - k. 18.01.57, Permitting Smoker/NonSmoker Mortality Tables For Use in Determining Minimum Reserve Liabilities and Nonforfeiture Benefits
 - l. 18.01.58, Permitting Same Minimum Nonforfeiture Standards for Men and Women Insured Under 1980 CSO and 1980 CET Mortality Tables
 - m. 18.01.59, Recognition of the 2001 CSO Mortality Table for Use in Determining Minimum Reserve Liabilities and Nonforfeiture Benefits
 - n. 18.01.71, Rule to Implement Uniform Health Claim Form Act
 - o. 18.01.79, Recognition of Preferred Mortality Tables for Use in Determining Minimum Reserve Liabilities
 - p. 18.01.80, Preneed Life Insurance Minimum Standards for Determining Reserve Liabilities and Nonforfeiture Values
3. The following subparts of certain rules were allowed to expire, but the balance of the rule remains in effect. As with the rules allowed to expire in full, the expiration of selected sections of these rules will clarify and streamline compliance for insurers, but generally not change the substantive law.
- a. 18.0.1.05, Health Carrier External Review. Sections 23.03, 23.04, and 30. Appendices C-1 and C-2.
 - b. 18.01.13, Life Settlements. Appendices A-1, A-2, A-3, A-4, B, C, and D.
 - c. 18.01.16, Variable Contracts. Sections 17 and 18.
 - d. 18.01.44, Schedule of Fees, Licenses, and Miscellaneous Charges. Sections 40.04 and 40.08.

Gabriel Hamilton advises clients of all sizes on general corporate, transactional, and regulatory matters, with an emphasis on clients in the healthcare and insurance industries. He is a member of the Federation of Regulatory Counsel (FORC), the only national association of attorneys who devote at least 50% of their practice to insurance regulatory matters.

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