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**IDAPA 18
TITLE 01
Chapter 22**

18.01.22 - SALE OF INSURANCE BY VENDING MACHINES

000. LEGAL AUTHORITY.

Title 41, Chapter 2, Section 211, Idaho Code, and Title 67, Chapter 52, Idaho Code. (7-1-93)

001. TITLE AND SCOPE.

The purpose of this Rule is to supplement the provisions of Chapter 10, Section 41-1060, Idaho Code, pertaining to sale of insurance by vending machines; to establish requirements of policies to be used; to provide for the submission of policies for approval and the filing of rates; to provide for license requirements and duties of agents soliciting and issuing policies by means of a vending machine; to provide for licensing of and requirements pertaining to vending machines; to declare grounds for suspension or revocation of a vending machine license; to repeal Rule No. 5, effective March 1, 1962 and Rule No. 22, effective May 6, 1971; and to provide an effective date. (7-1-93)

002. -- 010. (RESERVED).

011. POLICIES OF INSURANCE.

01. Travel Accident Insurance. Only policies of personal travel accident insurance may be issued by vending machine. (7-1-93)

02. Prior Approval of Policy Form. Prior to their use, the policy form to be sold through such machine shall be approved by the Director of Insurance and the rates to be charged shall be filed with the Director. (7-1-93)

03. Insurance Form. No insurance form to be sold through a vending machine or rate shall be used in this state unless the same are submitted to and approved by the Director of Insurance. (7-1-93)

04. Coverage and Benefits. The policy to be sold shall provide reasonable coverage and benefits for the premium to be charged and shall be reasonably suited for sale and issuance through a vending machine as determined by the Director of Insurance. (7-1-93)

05. Prominent Display of Coverage and Restrictions. Reasonable means shall be provided for informing the prospective purchaser of any such policy of coverage and restrictions of the policy, by prominently displaying such information on the machine. (7-1-93)

012. AGENTS.

01. Eligible Agents. Only a resident agent licensed as to disability insurance may solicit applications for and issue policies of personal travel accident insurance by means of mechanical vending machines. (7-1-93)

02. Eligibility Requirements. When applying for a vending machine license, the applicant must furnish to the Director evidence or assurance that all requirements contained in Section 41-1060, Idaho Code, have been met and will continue to be met. (7-1-93)

03. Inspection and Testing of Vending Machines. The licensed agent responsible shall cause each vending machine licensed through him to be inspected and tested not less than once each seven (7) days and should same not be in good working condition, shall cause a notice to be prominently displayed thereon that the machine is out of order. Such notice shall be maintained as long as such condition exists. (7-1-93)

013. VENDING MACHINES.

01. Location of Machines. Machines may be placed at airports, railroad stations, bus stations and similar locations where transportation tickets are sold and of convenience and service to the traveling public, after prior approval of such location by the Director of Insurance, and shall not be moved to a new or different location without the approval of the Director. (7-1-93)

02. Type of Machine. The type of vending machine to be used shall be reasonably suitable and practical for the purpose as determined by the Director of Insurance. (7-1-93)

03. Retention of Copies of Application. All such vending machines shall be constructed and operated so that they shall retain a copy of the application, showing the date of application, name and address of the applicant and of the beneficiary and the amount of insurance afforded by each policy issued, provided that the Director may at his discretion, based on written application therefor, approve other reasonable means of retaining or providing copies of the application for the insurer. (7-1-93)

04. Refund Requirements. Reasonable means shall be provided for refund to the applicant or prospective applicant of money inserted in defective machines and for which no insurance, or a less amount than paid for, is actually received, by prominent display of proper instructions on the machine. (7-1-93)

05. Vending Machine License. As to each such machine to be used, the Director shall issue to the agent a special vending machine license, which license shall specify: (7-1-93)

a. The name and address of the insurer. (7-1-93)

b. The name and address of the agent. (7-1-93)

c. The name of the policy to be so Sold. (7-1-93)

d. The serial number of the machine. (7-1-93)

06. Expiration, Suspension or Revocation. The vending machine license shall be subject to coincidental expiration, suspension or revocation with that of the agent; in addition, the Director may also suspend or revoke any vending machine license if he finds after hearing that any of the following requirements have not been complied with: (7-1-93)

a. The agent or his authorized representative shall regularly inspect the machine and shall exercise reasonable care in the maintenance and supervision of it. (7-1-93)

b. The location of the machine shall be approved by the Director. (7-1-93)

c. The policy as approved, and as may from time to time be examined by the Director, shall provide reasonable coverage and benefits. (7-1-93)

d. The use of the machine in the location approved shall continue to be of material convenience to the public. (7-1-93)

e. The machine shall be reasonably suitable and practical for the purpose of issuing policies of personal travel accident insurance. (7-1-93)

f. Reasonable means shall be provided for informing the prospective purchaser of any such policy of the coverage and restrictions of the policy. (7-1-93)

g. Reasonable means shall be provided for refund to the applicant or prospective applicant of money inserted in a machine and for which no coverage or a less amount of coverage is received than is paid for. (7-1-93)

h. Any other condition or requirement contained in Title 41 of the Idaho Code which may pertain to the solicitation or issuance of insurance through a vending machine shall be met. (7-1-93)

07. Grounds to Revoke or Suspend other Vending Machine License. Suspension or revocation of any agent's vending machine license shall be grounds to revoke or suspend any other vending machine license of that agent, except a violation of Subsection 013.05.d. or Subsection 013.08 of this Rule. (7-1-93)

08. Machine Out-of-Order. If any machine is out of order for a total of thirty (30) days during any calendar year, it shall be removed from its location by the agent and the license suspended until it is made serviceable. (7-1-93)

09. License Fee. The license fee shall be the sum of twenty-five dollars (\$25) for each license year or part thereof for each respective vending machine. (7-1-93)

10. License Application. No vending machine shall be placed in use until such time as an application has been made for the licensing of said machine and proper payment of the twenty-five dollars (\$25) per machine has been made to the Director of Insurance and the license issued therefor. (7-1-93)

11. Displayment of License. A copy of the subsisting license shall be prominently displayed on each such vending machine in use. (7-1-93)

12. Effective Date. Any machine presently in use, or hereafter put in use in this state shall be subject to the requirements of this rule as of the effective date hereof and the Director may disapprove the use of any such machines if he determines, after hearing, that they do not meet such requirements. (7-1-93)

014. SEVERABILITY.

If any provision of this rule shall be held invalid, the remainder of the rule shall not be affected thereby. (7-1-93)

015. REPEALER.

Rule No. 5, Insurance Vending Machines, effective March 1, 1962, and Rule No. 22, Sale of Insurance by Vending Machines, effective May 6, 1971, were repealed, effective December 15, 1979, and are replaced by Amended Rule No. 22, effective December 15, 1979. (7-1-93)

016. -- 999. (RESERVED).