

PENDING FEE RULES

COMMITTEE RULES

REVIEW BOOK

Submitted for Review Before
**Senate Commerce & Human
Resources Committee**
63rd Idaho Legislature
First Regular Session



Prepared by:

*Office of the Administrative Rules Coordinator
Department of Administration*

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SENATE COMMERCE & HUMAN RESOURCES COMMITTEE

ADMINISTRATIVE RULES REVIEW

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IDAPA 18 - DEPARTMENT OF INSURANCE

18.01.44 - SCHEDULE OF FEES, LICENSES, AND MISCELLANEOUS CHARGES

DOCKET NO. 18-0144-1401

NOTICE OF RULEMAKING - ADOPTION OF PENDING FEE RULE

EFFECTIVE DATE: This rule has been adopted by the agency and is now pending review by the 2015 Idaho State Legislature for final approval. Pursuant to Section 67-5224(5)(c), Idaho Code, this pending rule will not become final and effective until it has been approved by concurrent resolution of the legislature because of the fee being imposed or increased through this rulemaking. The pending fee rule becomes final and effective upon adoption of the concurrent resolution or upon the date specified in the concurrent resolution unless the rule is rejected.

AUTHORITY: In compliance with Section 67-5224, Idaho Code, notice is hereby given that this agency has adopted a pending fee rule. The action is authorized pursuant to Sections 41-211, 41-401, 41-1025, 41-4020, and 41-5820, Idaho Code, in addition to sections referenced below.

DESCRIPTIVE SUMMARY: The following is a concise explanatory statement of the reasons for adopting the pending rule and a statement of any change between the text of the proposed rule and the text of the pending rule with an explanation of the reasons for the change:

The proposed rule is being adopted as a pending rule, with a minor change noted below. Title 41, Chapter 40 was amended in 2013 to provide that post-secondary educational institutions could provide students self-funded health care plans in Idaho. Previously, registration of such plans was limited to employee plans. The rulemaking will seek to clarify the language that the registration fee is paid by all self-funded plans registering with the department.

Title 41, Chapter 58, Idaho Code, permits the department to license public adjusters. The rulemaking provides that public adjusters pay the same licensing and examination fees as producers and adjusters.

The department contracts with a private contractor to administer insurance producer, adjuster and public adjuster examinations. The examination fee is currently established per rule at \$60. The rulemaking will seek to revise language concerning the fee for producer, adjuster and public adjuster examinations to allow an amount not to exceed \$80. Additional language is added in the pending rule to clarify that the examination is administered by and the associated fee is received by a third party and not the Department of Insurance.

Technical corrections are also made.

The text of the pending rule has been amended in accordance with Section 67-5227, Idaho Code. Only the section that has changes that differ from the proposed text is printed in this bulletin. The complete text of the proposed rule was published in the September 3, 2014, Idaho Administrative Bulletin, [Vol. 14-9, pages 267 through 271](#).

FEE SUMMARY: The following is a specific description of the fee or charge imposed or increased:

The fee amount of \$500 for self-funded health plans applying to register and filing their annual statements with the department is not changing, but current language referring to “self-funded employee health care plans” will be revised consistent with recent legislation so the rule is not improperly read to limit the fee to employee plans but will also apply to post-secondary student plans. Idaho Code Sections 41-401, 41-4005(4) and 41-4011(4) authorize the fees.

Producers and adjusters pay an initial application fee and a biennial license renewal fee of \$80 (or \$60 if renewed electronically). This rule will apply the same application and renewal fee to public adjusters. Idaho Code Sections 41-401 and 41-5806(1)(g) authorize the fees.

The current fee to take an examination to be licensed as a producer, adjuster, or public adjuster (the latter license category will be expressly added in this rulemaking) is \$60. The department contracts with a vendor to administer the testing. The department seeks to increase the fee to an amount “not to exceed \$80.” Idaho Code Sections 41-401, 41-1006(2), 41-1007(1)(d), 41-1108, 41-5806(1)(g) and 41-5807(2) and (3) authorize the fees.

FISCAL IMPACT: The following is a specific description, if applicable, of any negative fiscal impact on the state general fund greater than ten thousand dollars (\$10,000) during the fiscal year:

The fiscal impact of the changes is expected to be revenue neutral.

ASSISTANCE ON TECHNICAL QUESTIONS: For assistance on technical questions concerning this pending fee rule, contact Thomas A. Donovan, tom.donovan@doi.idaho.gov, (208) 334-4214.

DATED this 10th day of October, 2014.

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Idaho Department of Insurance
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P.O. Box 83720, Boise, ID 83720-0043
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THE FOLLOWING NOTICE WAS PUBLISHED WITH THE PROPOSED RULE

AUTHORITY: In compliance with Section 67-5221(1), Idaho Code, notice is hereby given that this agency has initiated proposed rulemaking procedures. The action is authorized pursuant to Sections 41-211, 41-401, 41-1025, 41-4020, and 41-5820, Idaho Code.

PUBLIC HEARING SCHEDULE: Public hearing(s) concerning this rulemaking will be scheduled if requested in writing by twenty-five (25) persons, a political subdivision, or an agency, not later than September 17, 2014.

The hearing site(s) will be accessible to persons with disabilities. Requests for accommodation must be made not later than five (5) days prior to the hearing, to the agency address below.

DESCRIPTIVE SUMMARY: The following is a nontechnical explanation of the substance and purpose of the proposed rulemaking:

Title 41, Chapter 40, was amended in 2013 to provide that post-secondary educational institutions could provide students self-funded health care plans in Idaho. Previously, registration of such plans was limited to employee plans. The rulemaking will seek to clarify the language that the registration fee is paid by all self-funded plans registering with the department.

Title 41, Chapter 58, Idaho Code, permits the department to license public adjusters. The proposed rule provides that public adjusters pay the same licensing and examination fees as producers and adjusters.

The department contracts with a private contractor to administer insurance producer, adjuster and public adjuster examinations. The examination fee is currently established per rule at \$60. The rulemaking will seek to revise language concerning the fee for producer, adjuster and public adjuster examinations to allow an amount not to exceed \$80.

Technical corrections are also made.

FEE SUMMARY: The following is a specific description of the fee or charge imposed or increased:

1. The fee amount of \$500 for self-funded health plans applying to register and filing their annual statements with the department is not changing, but current language referring to "self-funded

employee health care plans” will be revised consistent with recent legislation so the rule is not improperly read to limit the fee to employee plans but will also apply to post-secondary student plans. Idaho Code Sections 41-4005(4) and 41-4011(4) authorize the fees.

2. Producers and adjusters pay an initial application and biennial license fees of \$80. This rule will apply the same fee to public adjusters.
3. The current fee to take an examination to be licensed as a producer, adjuster, or public adjuster (the latter license category will be expressly added in this rulemaking) is \$60. The department contracts with a vendor to administer the testing. The department seeks to increase the fee to an amount “not to exceed \$80.” Idaho Code Sections 41-401, 41-1006(2), 41-1007(1)(d), 41-1108, 41-5806(1)(g) and 41-5807(2) and (3) authorize the fees.

FISCAL IMPACT: The following is a specific description, if applicable, of any negative fiscal impact on the state general fund greater than ten thousand dollars (\$10,000) during the fiscal year resulting from this rulemaking:

The fiscal impact of the changes is expected to be revenue neutral.

NEGOTIATED RULEMAKING: Pursuant to Section 67-5220(1), Idaho Code, negotiated rulemaking was conducted. The Notice of Intent to Promulgate Rules - Negotiated Rulemaking was published in the July 2, 2014, Idaho Administrative Bulletin, **Vol. 14-7, page 82.**

INCORPORATION BY REFERENCE: Pursuant to Section 67-5229(2)(a), Idaho Code, the following is a brief synopsis of why the materials cited are being incorporated by reference into this rule: NA

ASSISTANCE ON TECHNICAL QUESTIONS, SUBMISSION OF WRITTEN COMMENTS: For assistance on technical questions concerning the proposed rule, contact Thomas Donovan, tom.donovan@doi.idaho.gov, (208) 334-4214.

Anyone may submit written comments regarding this proposed rulemaking. All written comments must be directed to the undersigned and must be delivered on or before September 24, 2014.

DATED this 6th Day of August, 2014.

LSO RULES ANALYSIS MEMO

THE FOLLOWING IS THE TEXT OF FEE DOCKET NO. 18-0144-1401

020. INSURER FEES.

01. Annual Continuation Fee. All insurers and other entities (set forth in Section 020) licensed, listed, or otherwise approved to do business in the state of Idaho shall pay an annual continuation fee. (7-1-00)

a. The annual continuation fee shall be due on March 1st each year and shall provide for payment of the insurer’s fees due through the last day of February next proceeding. (7-1-00)

b. The annual continuation fee shall be charged at the time the insurer applies for admission to do business in the state of Idaho. If the application is approved, the fee paid shall cover the insurer’s fees through the last day of February next proceeding. (7-1-00)

02. Fee for Insurers. For all insurance companies receiving a certificate of authority pursuant to Chapter 3, Title 41, Idaho Code, the amount of the annual continuation fee shall be as follows: (7-1-00)

a. If insurer's surplus as regards policyholders at the preceding December 31 is less than ten million dollars (\$10,000,000) - One thousand dollars (\$1,000). (7-1-00)

b. If insurer's surplus as regards policyholders at the preceding December 31 is ten million (\$10,000,000) or more, but less than one hundred million (\$100,000,000) -- Two thousand five hundred dollars (\$2,500). (7-1-00)

c. If insurer's surplus as regards policyholders at the preceding December 31 is one hundred million (\$100,000,000) or greater - Four thousand five hundred dollars (\$4,500). (7-1-00)

03. Fees of Other Entities. For the following entities, the amount of the annual continuation fee shall be: (7-1-01)

a. Five hundred dollars (\$500): (7-1-01)

i. Accredited reinsurers, listed pursuant to Section 41-514(1)(b), Idaho Code. (7-1-00)

ii. Trusteed reinsurers, listed pursuant to Section 41-514(1)(d), Idaho Code. (7-1-00)

iii. Authorized surplus line insurers. (7-1-00)

iv. County mutual insurers. (7-1-00)

v. Fraternal benefit societies. (7-1-00)

vi. Hospital and/or professional service corporations. (7-1-00)

vii. Hospital liability trusts. (7-1-00)

viii. Self funded *employee* health care plans. ~~(7-1-00)~~ ()

ix. Domestic Risk retention groups. (7-1-01)

x. Petroleum clean water trusts. (7-1-00)

xi. Rating organizations. (7-1-00)

xii. Advisory organizations. (7-1-00)

b. One hundred dollars (\$100): (7-1-01)

i. Purchasing groups. (7-1-00)

04. What Payment of Fee Shall Cover. Payment of the annual continuation fee shall be deemed to be payment of all fees that would ordinarily be paid to the Department by the insurer or entity during the relevant year, including, but not limited to, the following: (7-1-00)

a. Certificate of authority renewal, license renewal, and annual registration. (7-1-00)

b. Arson, Fire and Fraud. (7-1-00)

c. Annual statement filing. (7-1-00)

d. Agent appointment and renewal of appointment. (7-1-00)

e. Filings under Chapter 38, Title 41, Idaho Code, Acquisition of control and insurance holding

- company systems. (7-1-00)
- f. Filing of amendments to Articles of Incorporation. (7-1-00)
 - g. Filing of amendments to Bylaws. (7-1-00)
 - h. Amendments to Certificate of Authority. (7-1-00)
 - i. Filing of notice of significant transactions pursuant to Section 41-345, Idaho Code. (7-1-00)
 - j. Quarterly statement filing. (7-1-00)
 - k. Examination expenses; ~~except for those set forth in Subsection 020.05.g.~~ ~~(7-1-01)~~()
- 05. Fees Not Included.** Payment of the annual continuation fee will not exempt the insurer or entity from the following: (7-1-00)
- a. Fees for application for producer license. (7-1-00)
 - b. Costs incurred by the Department for investigation of an applicant for producer license. (7-1-00)
 - c. Attorney's fees and costs incurred by the Department when allowed pursuant to Idaho Code. (7-1-00)
 - d. Costs incurred for experts and consultants when allowed by Idaho Code. (7-1-00)
 - e. Penalties or fines levied by or payable to the Department of Insurance. (7-1-00)
 - f. All fees set forth under Section 040. (7-1-00)
- 06. Failure to Pay Fee.** Failure to pay the annual continuation fee on or before March 1st each year shall be treated as failure to pay the continuation fee and will result in expiration of the insurer's or entity's authority to do business in the state of Idaho pursuant to Section 41-324, Idaho Code. (7-1-00)
- 07. Reinstatement Fee.** The reinstatement fee referenced in Section 41-324(3), Idaho Code, shall be the amount referenced above for the insurer or entity continuation fee. (7-1-00)

(BREAK IN CONTINUITY OF SECTIONS)

030. PRODUCER AND MISCELLANEOUS LICENSING FEES.

- 01. Original License Application.** The following fees are due and must be paid with the filing application for original license, which fees include the issuance of a license, if issued: (3-13-02)
- a. Administrators -- three hundred dollars (\$300). (7-1-00)
 - b. Producers -- eighty dollars (\$80). (3-13-02)
 - c. Designation as a managing general agent -- eighty dollars (\$80). (3-13-02)
 - d. Adjusters and public adjusters -- eighty dollars (\$80). ~~(3-13-02)~~()
 - e. Reinsurance intermediary -- eighty dollars (\$80). (3-13-02)
 - f. Surplus line brokers -- eighty dollars (\$80). (3-13-02)

- g.** Life settlement providers -- five hundred dollars (\$500). (3-29-10)
- h.** Life settlement brokers -- three hundred dollars (\$300). (3-29-10)
- i.** Independent review organization -- five hundred dollars (\$500). (3-29-10)
- j.** Vendor of portable electronics insurance, a type of limited lines producer: (3-27-13)
- i. A vendor of portable electronic insurance who is engaged in portable electronic transactions at more than ten (10) locations in the state of Idaho -- one thousand dollars (\$1,000). (3-27-13)
- ii. A vendor of portable electronic insurance who is engaged in portable electronic transactions at ten (10) or fewer locations in the state of Idaho -- one hundred dollars (\$100). (3-27-13)
- 02. Examination Fees.** The following fees are due and must be paid in order to take examinations for the following licenses. The fees for these examinations are collected and retained by a third party vendor, not the Department of Insurance: ~~(3-13-02)~~()
- a.** Producers, public adjusters, and adjusters -- application for examination and each time taken -- ~~sixty~~ not to exceed eighty dollars (~~\$60~~). ~~(3-13-02)~~()
- 03. Fingerprint Processing.** Processing fingerprints (when required) -- not to exceed eighty dollars (\$80). (3-27-13)
- 04. License Renewal.** The following fees are due and must be paid for each license in order to renew or continue each and every license: (3-13-02)
- a.** Adjusters, public adjusters, and producers (biennial) -- eighty dollars (\$80), or sixty dollars (\$60) if renewed electronically. ~~(3-16-04)~~()
- i. A vendor of portable electronic insurance who is engaged in portable electronic transactions at more than ten (10) locations in the state of Idaho -- five hundred dollars (\$500). (3-27-13)
- ii. A vendor of portable electronic insurance who is engaged in portable electronic transactions at ten (10) or fewer locations in the state of Idaho -- one hundred dollars (\$100). (3-27-13)
- b.** Redesignation as managing general agent (annual) -- eighty dollars (\$80). (3-13-02)
- c.** Administrators (biennial) -- eighty dollars (\$80). (3-19-07)
- i. Renewal form shall be filed on or before December 31. (3-19-07)
- ii. Any renewal form postmarked after December 31 shall include a penalty in an amount equal to the renewal fee. (3-19-07)
- iii. A renewal form postmarked after January 31 must be submitted as a new application with supporting documents and the full application fee. (3-19-07)
- d.** Surplus line brokers (biennial) -- eighty dollars (\$80), or sixty dollars (\$60) if renewed electronically. (3-16-04)
- e.** Life settlement providers (biennial) -- three hundred dollars (\$300). (3-29-10)
- f.** Life settlement brokers (biennial) -- eighty dollars (\$80). (3-29-10)
- g.** Independent review organization (biennial) -- three hundred dollars (\$300). (3-29-10)