

## IDAPA 18 – IDAHO DEPARTMENT OF INSURANCE

### Consumer Services

#### 18.02.02 – Automobile Insurance Policies

##### **Who does this rule apply to?**

*This rule applies to insurers and agents of automobile insurance.*

##### **What is the purpose of this rule?**

*The purpose of this rule provides implementation and uniform interpretation of Section 41-2502, 41-2506, 41-2507, 41-2508, and 41-2509, relating to insurance cancellation, non-renewal, and under/uninsured motorists.*

##### **What is the legal authority for the agency to promulgate this rule?**

*This rule implements the following statute passed by the Idaho Legislature:*

- [Title 41, Chapter 25, et seq., Idaho Code](#) – Insurance: Casualty Insurance Contracts

##### **Who do I contact for more information on this rule?**

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## 18.02.02 – AUTOMOBILE INSURANCE POLICIES

### 000. LEGAL AUTHORITY.

Title 41, Chapter 25, Idaho Code.

(3-31-22)

### 001. TITLE AND SCOPE.

01. **Title.** IDAPA 18.02.02, “Automobile Insurance Policies.”

(3-31-22)

02. **Purpose.** Provides guidelines to assist in the implementation and uniform interpretation of the following Sections 41-2502, 41-2506, 41-2507, 41-2508, and 41-2509 of the Idaho Code.

(3-31-22)

### 002. -- 009. (RESERVED)

### 010. DEFINITIONS.

The Idaho Department of Insurance adopts the definitions set forth in Title 41, Chapter 25, Idaho Code. In addition, the following terms are defined as used in this chapter.

(3-31-22)

01. **The Act.** For the purpose of this Rule, the term “the Act,” unless otherwise noted, refers to Sections 41-2506, 41-2507, 41-2508, 41-2509, 41-2510, 41-2511, 41-2512, Idaho Code.

(3-31-22)

02. **Non-Payment of Premium.** The time and date of cancellation of a policy for non-payment of premium will be no earlier than ten (10) days after the date such notice was mailed or delivered, the date of mailing is the first day and the tenth day ends at midnight, standard time, at the last known address of the named insured. Nothing in this rule is construed to permit any agent or other representative of the insurer to cancel any policy without the agreement of the insurer or for any private debt between the agent and the insured. Also, nothing in the section is construed to prohibit a policy from being canceled effective as of any date mutually acceptable to the insured, the insurer and the lienholder, if any. Furthermore, a prior existing policy will terminate on the effective date of any other policy procured by the insured with respect to any automobile designated in both policies and containing duplicate insurance coverage.

(3-31-22)

03. **Sixty-Day Period.** Should an insurer, after the sixty-day (60) period referred to in Section 41-2506, Idaho Code, find that after investigation of a particular risk, conclude that it does not wish to remain on the risk, it may decline to continue such policy in force. Therefore, an insurer may deliver notice of cancellation or mail notice of cancellation concerning any new automobile policy on or before the sixtieth (60th) day after the effective date of the policy. The policy will remain in force from the date the notice of cancellation is mailed to the usual date the cancellation is effective as prescribed by the terms and conditions of the policy, without the policy being subject to the provisions of the Act.

(3-31-22)

### 011. ERRORS OR MISREPRESENTATIONS IN THE APPLICATION.

01. **Material Misrepresentation.** An insurer may cancel or refuse to renew a policy after giving the insured proper notice if the insurer has evidence the named insured, or legal representative, made fraudulent or material misrepresentations, omissions, concealment of facts or incorrect statements in obtaining the policy and if the insurer in good faith would not have issued the policy or provided coverage with respect to a particular hazard if the true facts had been made known to the insurer as prescribed in the application.

(3-31-22)

02. **Prohibitions.** Nothing in this rule is construed to allow the insurer to void the policy back to its effective date or rescind coverage under the policy to prevent a recovery under the policy in the event of a loss otherwise insured by the policy.

(3-31-22)

### 012. ALLOWABLE CONVICTIONS FOR TRAFFIC VIOLATIONS.

01. **Grounds and Requests for Cancellation Due to Traffic Violation Convictions.** For purposes of Section 41-2507, Idaho Code, the term “conviction” means a final conviction by any court having competent jurisdiction over violations of laws regulating the operation of motor vehicles.

(3-31-22)

02. **Conviction Exception.** For the purposes of the Act, an overtime parking violation is not considered a conviction.

(3-31-22)

### 013. NOTICE OF PREMIUM DUE AS WILLINGNESS OF INSURER TO RENEW.

Mailing by the insurer of the renewal premium notice constitutes willingness by the insurer to renew. If the insured fails to pay the renewal premium when due, the policy will terminate in accordance with its terms. No further notice

to the insured by the insurer of an intention not to renew for non-payment of premium is necessary. (3-31-22)

**014. ACCEPTABLE FORMS FOR NOTICE OF CANCELLATION, REFUSAL TO RENEW, AND AVAILABILITY OF IDAHO AUTOMOBILE INSURANCE PLAN.**

**01. Notice Forms.** The insurer will prepare forms of notice to use and submit to the Director for approval. (3-31-22)

**02. Acceptable Language.** As a guide, the Department may accept the following language, or language substantially similar, as satisfying the indicated notice requirements of the Act: (3-31-22)

**a.** Right of Insured to Request Reasons for Cancellation by Insurer: Upon your written request, mailed or delivered to (Name of Insurer) not less than ten (10) days prior to the effective date of this cancellation, (Name of Insurer) will supply to you the reason or reasons why your policy has been canceled.” (3-31-22)

**b.** Right of Insured to Request Reasons for Refusal to Renew by Insurer: Upon your written request, mailed or delivered to (Name of Insurer) not less than fifteen (15) days prior to the expiration date of your policy, which is the date coverage ceases under your policy unless it is renewed, the (Name of Insurer) will supply to you the reason or reasons why your policy will not be renewed.” (3-31-22)

**c.** Notification to Insured of Coverage Available Under Idaho Automobile Insurance Plan: “Should you experience difficulty in obtaining automobile liability insurance, please contact your agent or company representative for full particulars concerning your possible eligibility for insurance through the Idaho Automobile Insurance Plan.” (3-31-22)

**015. STANDARD STATEMENT REGARDING UNINSURED AND UNDERINSURED MOTORIST COVERAGE.**

The form set forth on the Department’s website is the standard statement approved by the Director pursuant to Section 41-2502, Idaho Code, and carriers are to use the form for all new policies and those existing policies where UM or UIM coverage is added or removed. Carriers may make non-substantive changes to this form, for example, including inserting company letterhead, and carriers need to file their standard statement forms with the Director prior to use. This rule does not create new requirements for the types of UIM coverage carriers offer beyond what existed as of the effective date of this rulemaking. (3-31-22)

**016. -- 999. (RESERVED)**