

IDAPA 18 – IDAHO DEPARTMENT OF INSURANCE

Property, Casualty, Auto Insurance

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?

Department of Insurance
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Boise, ID 83720-0043

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Boise, ID 83720-0043
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This rule chapter will be reviewed in compliance with Section [67-5292](#), Idaho Code, and in accordance with the 8-year rule review schedule linked [here](#).

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18.02.02 – AUTOMOBILE INSURANCE POLICIES

000. LEGAL AUTHORITY.

Title 41, Chapter 25, Idaho Code. (4-6-23)

001. SCOPE.

Assists in implementing and interpreting Sections 41-2502, and 41-2506 through 41-2509, Idaho Code. (4-6-23)

002. -- 009. (RESERVED)

010. DEFINITIONS.

01. Act. “The Act” means Sections 41-2506 through 41-2512, Idaho Code. (4-6-23)

02. Conviction. 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. An overtime parking violation is not considered a conviction. (4-6-23)

03. Underinsured Motorist (UIM) Coverage Types. “Offset” or “Difference in Limits” UIM coverage has limits that decrease by any amounts recovered from another party’s insurance. “Excess” UIM coverage has limits that are added to what is paid by another party’s insurance. (4-6-23)

011. MISREPRESENTATIONS IN THE APPLICATION.

After properly notifying the insured, an insurer may cancel or refuse to renew a policy if the insurer has evidence the named insured or their 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 covered a particular hazard if the true facts had been made known to the insurer. This is not to be construed to allow the insurer to void or rescind coverage to prevent a recovery in the event of a loss otherwise insured by the policy. (4-6-23)

012. TERMINATION TIMING.

Unless otherwise agreed by the insured, insurer, and the lienholder, if any, the time and date of cancellation of a policy for nonpayment of premium will be no earlier than ten (10) days after the date such notice was mailed or delivered at the last known address of the named insured. The date of mailing is the first day, and the tenth day ends at midnight. Any existing policy will terminate on the effective date of another policy procured by the insured with respect to any automobile designated in both policies and containing duplicate insurance coverage. (4-6-23)

013. NOTICE OF PREMIUM DUE AS INSURER’S WILLINGNESS TO RENEW.

An insurer’s mailing of the renewal premium notice constitutes the insurer’s willingness to renew. If the insured fails to pay the renewal premium when due, the policy will terminate per its terms. The insurer need not further notify the insured of the insurer’s intent not to renew for nonpayment. (4-6-23)

014. ACCEPTABLE FORMS FOR CERTAIN NOTICES.

The insurer will prepare forms of notice to use and submit to the Director for approval. Examples of acceptable language are available on the Department’s website. (4-6-23)

015. UNINSURED AND UIM COVERAGE.

01. Standard Statement Form. The form on the Department’s website is the standard statement per Section 41-2502(3), Idaho Code. Carriers are to provide the form with all new policies and renewals. Carriers may make non-substantive changes to this form, for example, inserting company letterhead. Carriers need to file their standard statement form with the Director prior to use. (4-6-23)

02. Offset Coverage. The carrier’s Declarations Page for “offset” UIM coverage is to indicate that the coverage decreases by any payments from another party’s coverage. (4-6-23)

03. Illusory Coverage. To avoid illusory coverage, insurers may offer “offset” UIM coverage at the state financial responsibility limits defined in Section 49-117(20), Idaho Code, only if coverage is provided at no (\$0.00) premium. (4-6-23)

016. -- 999. (RESERVED)