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Navigating Idaho's Interstate Insurance Sale Law

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In 2018, a new Idaho law created an expedited path for out-of-state insurers to be authorized to issue health insurance in Idaho. Dubbed “Interstate Insurance Sale,” the law is codified as Idaho Code Section 41 306A and represents a step towards a model in which an insurer in one state could sell insurance to consumers in another state with little or no regulation by the consumer's home state.

This law significantly relaxes the burden on an insurer to obtain and retain a certificate of authority in Idaho. Under this law, the insurer must:

- Be licensed in good standing in another state to sell individual or group accident and sickness insurance.
- Remain licensed in the other state.
- Appoint the director of the Department of Insurance as agent for service of process for disputes related
- to policies sold to Idaho residents.
- Comply with the requirements summarized below with respect to all policies issued to Idaho residents.

All policies issued to Idaho residents under this new law must comply with the following requirements:

- Any dispute regarding the policy is governed by Idaho law and resolved in Idaho.
- The foreign insurer submits to the jurisdiction of the Idaho Department of Insurance.
- The foreign insurer is subject to all provisions of Idaho law applicable to insurers transacting accident and sickness insurance in Idaho.
- The foreign insurer pays all fees and assessments provided by law under this title. This includes premium tax and participating in the Idaho high risk reinsurance pool.
- The Department of Insurance may ensure that policy forms are appropriate and not misleading.
- Producers (i.e. agents) are required to be licensed in Idaho.

Finally, the new law authorizes the director of the Idaho Department of Insurance to promulgate administrative rules and to enter compacts to

carry out the purposes of the law.

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