

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 147

BY BUSINESS COMMITTEE

AN ACT

RELATING TO INSURANCE; AMENDING SECTION 41-2503, IDAHO CODE, TO ESTABLISH
PROVISIONS REGARDING UNDERINSURED MOTOR VEHICLE COVERAGE.

Be It Enacted by the Legislature of the State of Idaho:

SECTION 1. That Section 41-2503, Idaho Code, be, and the same is hereby
amended to read as follows:

41-2503. DEFINITIONS AND APPLICATION. (1) For the purposes of unin-
sured motorist coverage, the term "uninsured motor vehicle" shall, subject
to the terms and conditions of such coverage, be deemed to include an insured
motor vehicle where the liability insurer thereof is unable to make payment
with respect to the legal liability of its insured within the limits speci-
fied therein because of insolvency.

(2) For purposes of underinsured motorist coverage, subject to the fur-
ther definitions, terms and conditions of such coverage, the term "underin-
sured motor vehicle" means a motor vehicle that is a self-insured motor vehi-
cle, or a motor vehicle that is covered by a policy of motor vehicle liabil-
ity insurance or an indemnity bond, with limits for bodily injury or death at
least equal to those limits set forth in section 49-117, Idaho Code.

(3) Underinsured motor vehicle coverage is excess coverage in addition
to insufficient coverage of the tortfeasor, and such underinsured motor ve-
hicle coverage limits may not be reduced by amounts paid by the tortfeasor's
coverage or any other coverage.

(4) The covered insured may not recover an amount greater than the total
legal liability of the tortfeasor or the applicable limits of the underin-
sured coverage, whichever is the lesser.

(5) Except as provided in subsections (1) and through (24) of this sec-
tion, the terms and conditions of any policy of motor vehicle liability in-
surance providing uninsured motorist coverage or underinsured motorist cov-
erage are not altered or amended.