Addendum: for use with Idaho Life & Health online ExamFX courses and study guide version 20037en/20038en, per exam content outline updates effective 08/01/2019.

*The following are **content additions** to supplement your existing text:*

LIFE & HEALTH

Idaho Statutes, Rules, and Regulations Common to All Lines

D. Producer Responsibilities

1. Fiduciary Capacity – *addition to the existing text; the rest of the section remains unchanged:*

Producers are required to remit fiduciary funds in a timely manner. Time requirements are dependent on the recipient and form of payment. Funds in the form of checks or other negotiable instruments payable to the insurer must be remitted to the insurer within **21 days**. Funds payable to policyowners must be remitted within **14 days**.

All other funds collected by a producer must be placed in a fiduciary fund account, no later than

- 7 days if in the form of cash under $2,000;
- 3 business days if in the form of cash over $2,000; and
- 7 days if in the form of check or other negotiable instruments.

G. Federal Regulation

McCarran-Ferguson Act

In 1945, the National Association of Insurance Commissioners (NAIC) proposed a bill sponsored by U.S. Senators Pat McCarran and Homer Ferguson that would keep insurance regulation in the hands of the states. The bill became law that same year and is known as the **McCarran-Ferguson Act**. The McCarran-Ferguson Act is as relevant today as it was when it was adopted. It contains the basic delegation of authority from Congress to the states with respect to the regulation and taxation of the business of insurance.

It was stated in the Act that the federal government would not regulate insurance **as long as the states did an adequate job** of regulating the industry. In effect, the law explicitly grants to the states the right to regulate insurance. The Act also limited the application of the antitrust laws to the business of insurance as long as and to the extent state law regulated the business of insurance. Following the enactment of the Act, several states enacted rating laws, established standards for fair trade practices, and licensing and solvency requirements. Working through the NAIC, state insurance regulators created the **model laws** that introduced the frameworks for the current rating laws, as well as a prohibition against giving rebates.

HEALTH

Idaho Statutes, Rules, and Regulations Pertinent to Health and Disability Only

E. Long-Term Care

Activities of Daily Living

Long-term care benefits are triggered in response to an insured's inability for perform activities of daily living (ADLs) or evidence of cognitive impairment. Insurers are prohibited from requiring more than 3 ADL impairments for benefits to be triggered. The state of Idaho requires the following ADLs be used when determining benefit eligibility:

- Bathing;
- Continence;
- Dressing;
- Eating;
- Toileting; and
- Transferring.

Insurers may use additional activities of daily living to trigger covered benefits, as long as they are defined in the policy.