Addendum: for use with Idaho Property and Casualty and Personal Lines online ExamFX courses and study guide versions 20051en/20053en (P&C) and 21135en (Personal Lines) per exam content outline updates effective 08/01/2019.

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

Idaho Statutes, Rules, and Regulations Common to All Lines

D. Producer Responsibilities

1. Fiduciary Capacity

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.

Idaho Statutes, Rules, and Regulations Common to Property and Casualty Insurance

A. Insurance Contracts

1. General Provisions

Certificate of Insurance

A **certificate of insurance** is any written document or instrument that is issued as evidence of property or casualty insurance. Certificates do not include the policy, binders, endorsements or auto insurance identification cards.

Certificates of insurance cannot be altered or modified unless changes have been filed with the Director. The Director has the power to disapprove a certificate form if the form is:

- Unfair, misleading, or deceptive;
- Violates public policy; or
- Violates any provision of the Idaho Code.

All certificates of insurance issued in this state must contain the following or similar statement:

"This certificate of insurance is issued as a matter of information only and confers no rights upon the certificate holder. This certificate does not alter, amend or extend the coverage, terms, exclusions and conditions afforded by the policies referenced herein."

Idaho Statutes, Rules, and Regulations Pertinent to Property Insurance Only

C. National Flood Insurance Program (NFIP)

Flood Insurance Training Requirement

FEMA, in cooperation with state insurance regulators, developed flood insurance training requirements for producers who sell or intend to sell flood insurance through the NFIP. Prior to selling flood insurance in Idaho, producers licensed in property, casualty, or personal lines authorities must complete a one-time **3-credit hour** continuing education course.

Upon request from the Department, producers selling flood insurance must provide verifiable documentation, signifying they have completed the required training.