

NOTICE CONCERNING COVERAGE LIMITATIONS AND
EXCLUSIONS UNDER THE IDAHO LIFE AND HEALTH
INSURANCE GUARANTY ASSOCIATION ACT

Residents of Idaho who purchase life insurance, annuities or health/disability insurance should know that the insurance companies licensed in this state to write these types of insurance are members of the Idaho Life and Health Insurance Guaranty Association. The purpose of the Association is to assure that policyholders will be protected, within limits, in the unlikely event that a member insurer becomes financially unable to meet its obligations. If this should happen, the Association will assess its other member insurance companies for money to pay the claims of insured persons who reside in Idaho, and, in some cases, to keep coverage in force. The valuable extra protection provided by these insurers through the Association is not unlimited, however, and is not a substitute for consumers' care in selecting insurance companies that are well-managed and financially stable.

The Idaho Life and Health Insurance Guaranty Association may not provide coverage for your policy. If coverage is provided, it may be subject to substantial limitations or exclusions, and require continued residency in Idaho. You should not rely on coverage by the Idaho Life and Health Insurance Guaranty Association in selecting an insurance company or in selecting an insurance policy.

Insurance companies and their agents are prohibited by law from using the existence of the Association for the purpose of sales, solicitation or inducement to purchase any kind of insurance policy.

This information is provided by:

Idaho Life & Health Insurance Guaranty Association
3355 N Five Mile Rd #210
Boise, Idaho 83713
208-378-9510
www.idlifega.org

Idaho Department of Insurance
700 West State Street
P O Box 83720
Boise, Idaho 83720-0043
208-334-4250
1-800-721-3272
www.doi.idaho.gov

(continued on next page)

The state law that provides for this safety-net coverage is called the Idaho Life and Health Insurance Guaranty Association Act. Below is a brief summary of this law's coverages, exclusions and limits. **This summary does not cover all provisions of the law, nor does it in any way change your legal rights or obligations or the Association's legal rights or obligations which are defined by and set forth under the Act.**

COVERAGE:

Generally, individuals will be protected by the Association if they live in Idaho and own a life or health/disability insurance policy, an annuity contract, or if they are an insured certificateholder under a group insurance contract issued by a member insurer. The beneficiaries, payees or assignees of insured persons may be protected as well, even if they live in another state.

EXCLUSIONS FROM COVERAGE:

However, persons holding such policies are **not** protected by the Association if:

- they are eligible for protection under the laws of another state
- the insurer was not authorized to do business in Idaho
- the policy was issued by a reciprocal insurer, mutual benefit association, fraternal benefit society, hospital and medical service corporation, limited managed care plan, or self-funded health care plan

The Association also does not provide coverage for:

- any policy or contract or any portion of any policy or contract which is not guaranteed by the insurer or under which the risk is borne by the policyholder
- any policy of reinsurance
- interest rate yields that exceed an average rate
- unallocated annuity contracts (any annuity not issued to and owned by an individual) except to the extent benefits are guaranteed to an individual under the contract or certificate
- Medicare Part C and Part D plans

LIMITS ON AMOUNT OF COVERAGE:

The Act also limits the amount the Association is obligated to pay out. The Association cannot pay out more than what the insurance company would owe under a policy or contract. Also, the aggregate liability per policy shall not exceed \$100,000 in cash surrender values, \$500,000 in major medical insurance benefits, \$300,000 in health/disability insurance benefits other than major medical, \$250,000 in present value of annuity benefits, or \$300,000 in life insurance death benefits.

However, in no event will the Association be obligated to cover more than \$300,000 in the aggregate for all benefits for any one life, except for major medical benefits which are subject to a limit of \$500,000 for any one life.
