

Idaho Statutes

Title 72. WORKER'S COMPENSATION AND RELATED LAWS - INDUSTRIAL COMMISSION

Chapter 3. SECURITY FOR COMPENSATION

(Current through Chapter 217 of the 2013 Legislative Session)

§ 72-301. SECURITY FOR PAYMENT OF COMPENSATION

Every employer shall secure the payment of compensation under this law in one (1) of the following ways:

(1) By insuring and keeping insured with a policy of worker's compensation insurance, as defined in section 41-506 (d) , Idaho Code, the payment of compensation with any insurer, as defined in section 41-103, Idaho Code, authorized by the director of the department of insurance to transact such insurance; provided, that every public employer shall insure its liability for payment of compensation with the state insurance fund, unless such fund shall refuse to accept the risk when the application for insurance is made; or

(2) An employer may become self-insured by obtaining the approval of the industrial commission, and by depositing and maintaining in a custodial account with the ~~commission treasurer of the state money or acceptable~~ security instruments satisfactory to the commission securing the payment by said employer of compensation according to the terms of this law. Such acceptable security instruments are as follows: (a) bonds, treasury bills, interest-bearing notes or other obligations of the United States for which the full faith and credit of the United States is pledged for the payment of principal and interest; (b) general obligation or revenue bonds of this state for which the full faith and credit of this state is pledged for the payment of principal and interest. In lieu of such money or security instruments, the commission may allow or require such employer to file or maintain with the treasurer of the state ~~consist of a surety bond or guaranty contract~~ with any company authorized to transact surety insurance in Idaho. The commission shall adopt rules governing the qualifications of self-insured employers, the nature and amount of security to be deposited and maintained with the ~~commission treasurer of the state~~, and the conditions under which an employer may continue to be self-insured.

(3) No insurer shall be permitted to transact worker's compensation insurance covering the liability of employers under this law unless it shall have been authorized to do business under the laws of this state and until it shall have received the approval of the commission. To the end that the workers secured under this law shall be adequately protected, the commission shall require such insurer to deposit and maintain in a custodial account with the treasurer of the state money or ~~bonds~~ acceptable security instruments of the United States or of this state; ~~or interest-paying bonds when they are at or above par, or any other state of the United States or the District of Columbia, or the bonds of any county or municipal corporation of this or any other state of the United States or the District of Columbia~~ in an amount equal to the total amounts of all outstanding and unpaid compensation awards against such insurer. Acceptable security instruments are as follows: (a) bonds, treasury bills, interest-bearing notes or other obligations of the United States for which the full faith and credit of the United States is pledged for the payment of principal and interest; (b) general obligation or revenue bonds of this state for which the full faith and credit of this state is pledged for the payment of principal and interest. In lieu of such money or ~~bonds~~ security instruments, the commission may allow or require such insurer to file or maintain with the treasurer of the state a surety bond of some company or companies authorized to do business in this state for and in the amounts equaling the total unpaid compensation awards against such insurer.

(4) When an insurer has been placed in liquidation, any security being held in a custodial account with the state treasurer under this section shall be converted into cash and transferred into the insolvent insurer fund created by paragraph (5) of this section 72-301, Idaho Code. Such funds shall continue to be held for the purpose of securing any future claims made against the insolvent insurer under this law or until released by the commission to the liquidator, if one exists, or to the insurer's state of domicile, as provided herein. Interest earned on security deposited in the insolvent insurer fund shall be credited, pro rata, to the account balance of security being held to answer claims made under this law against an insolvent insurer. Interest and principal of an insolvent insurer's security deposited in the insolvent insurer fund may be used to pay the reasonable costs or expenses charged by any financial institution holding such funds on deposit for the state treasurer. Any balance in funds remaining on deposit in the insolvent insurer fund to answer the claims of an insolvent insurer after discharge of that insurer's liquidator may be transferred to the liquidator, if one still exists, or to the liquidated insurer's state of domicile, at such time as the Commission determines that said security is no longer required to be held by the state treasurer for the purposes of this law.

(5) There is hereby created in the state treasury the insolvent insurer fund. Moneys in that fund are hereby continuously appropriated for the purposes set out in this law.

(6) The approval by the commission of any insurer or self-insured employer may be withdrawn if it shall appear to the commission that workers secured thereby under this law are not fully protected.

Cite as Idaho Code § 72-301 History.

Amended by 2011 Session Laws, ch. 198, sec. 1, eff. 7/1/2011.