

IMPORTANT DISCLAIMER

The Idaho Life and Health Insurance Guaranty Association does not provide coverage for all types of policies. In addition, coverage 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 an insurance policy.

Coverage is not provided by the Idaho Life and Health Insurance Guaranty Association for your policy or contract or any portion of it that is not guaranteed by the insurer or for which the risk is borne by you – the policyholder.

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 Summary does not cover all provisions of the Idaho Life and Health Insurance Guaranty Association Act, 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.

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SUMMARY OF THE IDAHO LIFE AND HEALTH INSURANCE GUARANTY ASSOCIATION ACT

AND

NOTICE CONCERNING COVERAGE LIMITATIONS AND EXCLUSIONS

Revised November, 2008

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. However, the protection provided by these insurers through the Association is limited, 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 Act provides a safety net for certain purchasers of insurance. Below is a brief summary of the Act's coverage, exclusions and limitations. This summary does not cover all provisions of the Idaho Life and Health Insurance Guaranty Association Act, nor does it in any way change anyone's legal rights or obligations under the Act including the legal rights or obligations of the Association.

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 certificate holder under a group life or health insurance contract, issued by a member insurer. The beneficiaries, payees or assignees of covered policies may be protected as well, even if they live in another state.

EXCLUSIONS FROM COVERAGE

However, persons holding such policies or contracts 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 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)

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. Furthermore, the amounts the Association is authorized to pay are limited as follows:

- Not more than \$100,000 of net cash surrender or net cash withdrawal values under a life insurance, health/disability insurance, or annuity policy or contract.
- Not more than \$300,000 of claims or benefit payments under a health/disability policy.
- Not more than \$300,000 of death benefits under a life insurance policy.
- Not more than \$300,000 of annuity benefit payments under a contract for which periodic annuity payments have begun to be paid, if the annuitization period chosen was the annuitant's lifetime or a period certain of 10 years or longer; otherwise \$100,000 of annuity benefit payments.
- **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.**