



IDAHO NRRA UPDATE
IN A NUTSHELL
NOT INTENDED AS LEGAL ADVICE
Title 41, Chapter 12

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NRRA compliance impacts ONLY Property/Casualty risks (WorkComp excluded)

All other lines - health, accident & life - are not impacted. Continue to report on Idaho's share of the risk. Idaho will collect tax on Idaho's allocable share based on percentage of risk located in Idaho.

EFFECTIVE DATE OF POLICY

If 7/21/11 or later, determine HOME STATE of insured (*See pg 2*)

a) If home state is not in Idaho, do not report to Idaho SLA. Idaho DOI has no jurisdiction and will not collect tax or regulate. Report to insured's home state according to insured's state requirements.

b) If home state is Idaho, report and file with Idaho SLA.

1) If policy is a multi-state account, report and pay tax on the aggregate premium of all locations ... Idaho plus other applicable states' share of risk.

ECPs

Exempt Commercial Insured in Idaho. If the risk is eligible for export (see Export List), then file using the appropriate risk code. If not eligible for export and insured requests waiver of diligent search **1)** make sure the insured qualifies under the ECP definition **2)** provide disclosure to insured, and **3)** obtain written authorization from insured.

Waiver of Diligent Search for qualified Exempt Commercial Purchasers (ECP)

A surplus line broker seeking to procure from or place insurance with an unauthorized insurer for an exempt commercial purchaser is not required to satisfy the diligent search requirement when:

- The surplus line broker or producer procuring or placing the surplus line insurance has disclosed to the ECP that such insurance may or may not be available from the admitted market that may provide greater protection with more regulatory oversight, AND
- The exempt commercial purchaser has subsequently requested in writing the surplus line broker or producer to procure or place such insurance from an unauthorized insurer.

Records of the surplus line broker's satisfaction of the waiver of diligent search requirements shall be maintained in compliance with the provisions of Idaho Code.

ESTABLISHING THE HOME STATE:

1. Is the insured an individual or an entity?
 - 2.a. If an individual, then the home State is the state of the individual's principal residence.
 - 2.b. If not an individual, is there one or more affiliated entities insured under one policy?
 - 3.a. If a single entity is insured, the home State is where the insured maintains its "principal place of business." [This phrase is not defined in the statute, but has generally been interpreted as the "nerve center" of the enterprise as described in a 2010 Supreme Court decision regarding diversity jurisdiction.]
 - 3.b. If more than one affiliated entities are insured under one policy, (i) determine which entity has the largest percentage of premium attributed to it under the policy, and (ii) the home State is where that entity maintains its principal place of business.
 - 4.a. Is any of the insured risk located in the home State as determined under item 2.a., 3.a, or 3.b. above?
 - 4.b. If yes, then that remains the home State.

[*Refer to Idaho Code 41-1213 for Definitions*](#)