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BULLETIN NO. 09-01

DATE: January 23, 2009

TO: Property and Casualty Insurers and Producers

FROM: William W. Deal, Director

SUBJECT: Liability Coverage Requirements for Motorbikes, All-Terrain Vehicles and Utility Type Vehicles

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The Department of Insurance has recently received inquiries regarding liability coverage requirements for motorbikes, all-terrain vehicles (ATVs) and other utility type vehicles (UTVs). It appears some confusion regarding coverage for these types of vehicles has arisen from legislative changes made in 2008.

The 2008 Legislature enacted House Bill 602, which made changes to Idaho Code Title 49 (Motor Vehicles) and Title 67 (Recreational Activities) that affect licensing and registration requirements for motorbikes, ATVs and UTVs. These changes may be significant to insurers and producers because Idaho Code Section 49-426(3) states, in part, that Chapter 12 of Title 49 shall apply to the operation of any licensed and registered ATV, UTV or motorbike, as well as certain types of other vehicles that may be exempt from licensing and registration. Chapter 12 of Title 49 includes Section 49-1212, which sets forth a number of requirements for liability insurance coverage for motor vehicles.

Section 41-2502 of Idaho's Insurance Code was also amended in 2008 to require that any policy of motor vehicle liability insurance that is subject to the requirements of Section 49-1212(1) and (2) of the Motor Vehicle Code must include underinsured and uninsured motorist coverage unless the coverage is rejected by the insured. (*See Bulletin 08-08 for further information on this requirement*). Therefore, a vehicle liability insurance policy that is required to comply with Chapter 12 of Title 49 must also meet the requirements of Section 41-2502.

All insurers and producers that write liability coverage for vehicles should carefully review Idaho Code Section 49-426 and the current licensing and registration requirements for ATVs, UTVs and motorbikes to make certain that their customers are being offered coverage that is consistent with the requirements of Title 49 and Title 41, Idaho Code. Questions regarding registration requirements for ATVs, UTVs, motorbikes or any other type of vehicle should be directed to the Registrations Section of the Idaho Department of Motor Vehicles at 208-334-8649 or a local DMV office.