

**IX. NEW BUSINESS**

**E. State Insurance Fund Class Action Lawsuit**

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**CDA Dairy Queen, Inc. v. Idaho State Insurance Fund**

A class action suit has been filed against the Idaho State Insurance Fund (“SIF”) and is based on the alleged claim that the SIF failed to distribute premium payment dividends on a pro-rata basis to State policyholders for the years 2002-2009 pursuant to Idaho Code Section 72-915. At this time the Plaintiff class is being represented by a private firm. Recently the court’s certification order permits the State to seek exclusion from representation by the current counsel.

The Attorney General is prepared to represent the State policy holders in being excluded from the class, so that the State would not be in the position of suing itself in this matter. Once the State entities were excluded from the class and the civil action, the Attorney General would use the Office’s resources to promptly address the legal issues alleged by the class action, and equitably resolve the matter in a way similar to the parties that remain in the litigation.

If the Commission wishes to be excluded from this litigation against the SIF, we must sign a client authorization form and return it to Deputy Attorney General Clay Smith no later than May 7, 2014. If we do not wish to be excluded from this lawsuit then no action is required. After discussion with the agency Deputy Attorney General, the Management Team recommendation is that the Commission be excluded from the class.

**Suggested motion:** I move that the Idaho Commission for Libraries be excluded from the State Insurance Fund class action law suit and allow the Attorney General’s office to represent our agency in this matter.

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