

Part I – Agency Profile

Agency Overview

The Department of Insurance is a regulatory agency created to regulate the business of insurance in Idaho. State regulation of Idaho's insurance business began in 1901 and in 1961 the Insurance Code was expanded and recodified into Title 41, Idaho Code. When the Executive branch of state government was reorganized in 1974, the Department of Insurance became one of the twenty major departments of the Executive branch. The director of the department is appointed by the governor and is subject to confirmation by the state senate.

The mission of the Department of Insurance is to equitably, effectively and efficiently administer the Idaho Insurance Code and the International Fire Code. The Department is organized into two divisions: the State Fire Marshal's Office and the Insurance Regulation Division. The State Fire Marshal's Office participates in and coordinates an integrated statewide system designed to protect human life from fire and explosions through fire prevention, investigation and public education activities. The program involves fire prevention activities, fire/arson investigations, code enforcement and the operation of the Idaho Fire Incident Reporting System. The State Fire Marshal's Office provides assistance to local fire agencies throughout the state. The Department's Insurance Regulation Division consists of the following three regulatory bureaus and one section overseen by a deputy director: The Company Activities Bureau, the Consumer Services Bureau, the Product Review Bureau, and the Information Technology Section. The Company Activities Bureau (CAB) monitors the financial condition of all insurance entities domiciled in the state of Idaho to assure that each complies with Idaho law and that the financial obligations of the company to its policyholders will be met. The CAB reviews all applications of insurers and qualifying self-funded healthcare plans seeking to do business in this state to determine eligibility for a certificate of authority to transact insurance or eligibility for registration as a self-funded healthcare plan. The CAB also collects premium taxes and audits insurance premium tax returns, licenses producers, adjusters and third party administrators, administers the applicable continuing education program for the resident producers and adjusters, regulates title and bail agencies, and performs market analyses and examinations of insurers and self-funded plans doing business in Idaho. The Consumer Services Bureau (CSB) researches consumer and industry complaints and provides assistance to consumers, the insurance industry and law enforcement agencies on matters involving insurance contracts and potential violations of the insurance code. The CSB is also responsible for investigating criminal and civil violations of insurance laws, and referring cases involving criminal or administrative violations of the Idaho Code to the Attorney General or appropriate county prosecutor when applicable. Also within the CSB is Idaho's Senior Health Insurance Benefits Advisors (SHIBA) program that provides information, counseling and assistance on Medicare coverage issues to Idaho's senior citizens through a network of professional staff, over 100 volunteers and a toll free 800 number. The Product Review Bureau (PRB) reviews insurance policy and self-funded rates and forms. The PRB meets the effective rate review standards for individual and small group health insurance markets, retaining state-level regulatory authority. The PRB supports the Idaho Health Insurance Exchange in fulfilling the plan management requirements, and in reviewing and certifying health plans that meet the Qualified Health Plan (QHP) standards. The Information Technology Section provides computer-related support for the entire agency under the guidance of the Deputy Director. The Office of the Attorney General provides four dedicated employees, three attorneys and one paralegal, to provide day to day legal services to the department.

The main office of the Idaho Department of Insurance is located on the third floor of the JR Williams Building in Boise. The department also has offices in Twin Falls, Pocatello, Idaho Falls and Coeur d'Alene (CdA). The department has been appropriated 73.0 FTE (full time equivalent) personnel for FY2014. The State Fire Marshal has 5 FTE's in Boise, 2 FTE's in Idaho Falls, 1 in Moscow and 1 in CdA. The Insurance Regulation Division has 2 SHIBA FTE's in Twin Falls; 2 SHIBA FTE's, and 1 consumer affairs FTE in Pocatello; 2 SHIBA FTE's, 1 consumer affairs FTE and 1 fraud investigation FTE in CdA. The Twin Falls office was closed at the end of FY 2014 with the support for the area moved to the Boise office.

While the department collects almost \$72 million in Premium Taxes from the insurance companies, none of those funds are used to support Agency operations. The Agency is funded entirely by fees collected for licensing insurance producers and companies doing business in Idaho.

Core Functions/Idaho Code

Insurance Regulation Division – Regulates the insurance industry in Idaho. Assists public with insurance complaints and inquiries, investigates insurance fraud, reviews insurer rate and form filings, reviews qualifications of insurance agents/brokers and insurers seeking licensing to do business in Idaho, reviews financial solvency of insurers doing business in Idaho, and administers and collects insurance premium tax. Title 41, Idaho Code.

State Fire Marshal's Office – Assists local governmental entities and fire districts in fire investigation and prevention activities, and responsible for fire and life safety issues in state owned buildings. Title 41, Chapter 2, Idaho Code.

Revenue and Expenditures

Revenue	FY 2011	FY 2012	FY 2013	FY 2014
Insurance Administrative Acct	\$5,720,700	\$6,241,500	\$5,906,000	\$7,605,800
Arson Fire & Fraud Acct	\$636,500	\$797,500	\$902,200	\$876,900
Federal Grant	\$616,300	\$1,225,200	\$486,100	\$371,100
Miscellaneous Revenue	\$14,000	\$98,000	\$8,000	\$10,000
Total	\$6,987,500	\$8,362,200	\$7,302,300	\$8,863,800
Expenditure	FY 2011	FY 2012	FY 2013	FY 2014
Personnel Costs	\$4,135,200	\$4,112,700	\$4,591,800	\$4,505,300
Operating Expenditures	\$2,279,000	\$2,549,500	\$2,342,000	\$2,023,900
Capital Outlay	\$103,300	\$121,400	\$181,000	\$242,900
Trustee/Benefit Payments	\$98,800	\$99,800	\$0	\$0
Total	\$6,616,300	\$6,883,400	\$7,114,800	\$6,772,100

Profile of Cases Managed and/or Key Services Provided

Cases Managed and/or Key Services Provided	FY 2011	FY 2012	FY 2013	FY 2014
Company Activities Bureau				
Examinations Performed	3	6	8	6
Companies Admitted/Listed	66	63	56	54
Companies Withdrawn/Suspended/Rvkd	29	45	18	37
Total Companies Regulated	2,154	2,199	2,207	2,261
Title Exams Performed	21	27	31	28
Premium Taxes Collected	\$64,794,620	66,031,140	69,319,867	71,874,203
Producer licensing applications rec'd	17,045	16,502	18,048	20,813
Producer licenses issued	15,017	16,232	15,676	18,353
Continuing Ed courses rec'd	2,034	2,167	2,230	2,365
Consumer Services Bureau				
Consumer Affairs – Complaints rec'd	843	881	765	791
Consumer Affairs – % Closed in 80 days	91%	92%	94%	96%
Consumer Affairs – Inquiries	8,696	7,638	7,120	6,599
SHIBA – Individual counseling hours	11,181	15,168	14,460	7,442
SHIBA – Audience group sessions (live)	32,159	23,063	18,450	15,300
SHIBA – Telephone inquiries	16,797	16,187	16,759	9,459
Investigations – New cases	326	228	255	328
Investigations – Cases referred	24	48	26	17
Investigations – Convictions	14	5	15	13
Product Review Bureau				
Policy Forms Filed	38,045	28,327	56,772	30,894
State Fire Marshal				
Official Contacts	6,804	9,040	10,078	10,587
Fire Investigations	102	75	113	77
Fire Code Inspections	410	440	465	798
Sprinkler Plan Reviews	183	196	221	263
Classes Taught	18	20	100	77

Part II – Performance Measures

Performance Measure	2011	2012	2013	2014	Benchmark
1. Complete the review of company applications within 30 days of date application is deemed complete	90%	90%	89%	95%	100%
2. Perform level one market analysis for at least 20 companies annually.	14	25	15	11	15 analyses completed
3. Adopt final examination reports within 18 months of the “as is” date.	100%	100%	80%	17%	100%
4. Issue producer license within 5 business days of date application is received.	96% Estimated	95% Estimated	95% Estimated	95%	100%
5. Increase the percentage of licenses, renewals and appointments processed electronically to at least 95%.	97% Estimated	96% Estimated	96% Estimated	96%	95% of transactions
6. Respond to requests for fire investigation assistance within 12 hours.	100%	100%	100%	100%	100%

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