

## ***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 20 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 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 call center staffed to service a toll-free telephone line. 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 (Your Health Idaho) 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 Pocatello, Idaho Falls, Moscow, and Coeur d'Alene (CdA). The department has been appropriated 73.5 FTE (full time equivalent) personnel for FY 2014. The State Fire Marshal has five FTE in Boise, two FTE in Idaho Falls, one in Moscow, and one in CdA. The Insurance Regulation Division has two SHIBA FTE and one consumer affairs FTE in Pocatello and two SHIBA FTE and one consumer affairs FTE in CdA.

While the department collects almost \$80 million in Premium Taxes from 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 and 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 is responsible for fire and life safety issues in state-owned buildings. Title 41, Chapter 2, Idaho Code.

**Revenue and Expenditures**

Revenue	FY 2012	FY 2013	FY 2014	FY 2015
Insurance Administrative Acct	\$6,241,500	\$5,906,000	\$7,605,800	\$7,403,400
Arson Fire & Fraud Acct	\$797,500	\$902,200	\$876,900	\$945,500
Federal Grant	\$1,225,200	\$486,100	\$371,100	\$313,400
Miscellaneous Revenue	\$98,000	\$8,000	\$10,000	\$91,000
<b>Total</b>	<b>\$8,362,200</b>	<b>\$7,302,300</b>	<b>\$8,863,800</b>	<b>\$8,753,300</b>
Expenditure	FY 2012	FY 2013	FY 2014	FY 2015
Personnel Costs	\$4,112,700	\$4,591,800	\$4,505,300	\$4,630,400
Operating Expenditures	\$2,549,500	\$2,342,000	\$2,023,900	\$2,117,200
Capital Outlay	\$121,400	\$181,000	\$242,900	\$142,600
Trustee/Benefit Payments	\$99,800	\$0	\$0	\$0
<b>Total</b>	<b>\$6,883,400</b>	<b>\$7,114,800</b>	<b>\$6,772,100</b>	<b>\$6,890,200</b>

\*Revenue figures for the insurance administrative account do not include tax premium revenue.

**Profile of Cases Managed and/or Key Services Provided**

Cases Managed and/or Key Services Provided	FY 2012	FY 2013	FY 2014	FY 2015
<b>Company Activities Bureau</b>				
Examinations performed	6	8	6	6
Companies admitted/listed	63	56	54	46
Companies withdrawn/suspended/rvkd	45	18	37	50
Total companies regulated	2,199	2,207	2,261	2,158
Title exams performed	27	31	28	37
Premium taxes collected	66,031,140	69,319,867	71,874,203	79,466,298
Producer licensing applications received	16,502	18,048	20,813	22,354
Producer licenses issued	16,232	15,676	18,353	18,360
Continuing Ed courses approved	2,167	2,230	2,365	2,250
<b>Consumer Services Bureau</b>				
Consumer Affairs – Complaints rec'd	881	765	791	852
Consumer Affairs – % Closed in 80 days	92%	94%	96%	97%
Consumer Affairs – Inquiries	7,638	7,120	6,599	6,446
SHIBA – Individual counseling hours	15,168	14,460	7,442	5,981
SHIBA – Audience group sessions (live)	23,063	18,450	15,300	18,191
SHIBA – Telephone inquiries	16,187	16,759	9,459	9,609
Investigations – New cases	228	255	328	283
Investigations – Cases referred	48	26	17	22
Investigations – Convictions	5	15	13	6
<b>Product Review Bureau</b>				
Policy Forms Filed	28,327	56,772	30,894	31,660
<b>State Fire Marshal</b>				
Official Contacts	9,040	10,078	10,587	10,816
Fire Investigations	75	113	77	81
Fire Code Inspections	440	465	798	813
Sprinkler Plan Reviews	196	221	263	354

Cases Managed and/or Key Services Provided	FY 2012	FY 2013	FY 2014	FY 2015
Classes Taught	20	100	77	77

## Part II – Performance Measures

Performance Measure	FY 2012	FY 2013	FY 2014	FY 2015	Benchmark
1. Complete the review of company applications within 30 days of date application is deemed complete.	90%	89%	95%	90%	100%
2. Perform level-one market analysis for at least 20 companies annually.	25	15	11	33	15 analyses completed
3. Adopt final examination reports within 18 months of the "as is" date.	100%	80%	17%	100%	100%
4. Issue producer license within five business days of date application is received.	95% Estimated	95% Estimated	95%	95%	90%
5. Increase the percentage of licenses, renewals, and appointments processed electronically to at least 95%.	96% Estimated	96% Estimated	96%	96%	95% of transactions
6. Respond to requests for fire investigation assistance within 12 hours.	100%	100%	100%	100%	100%

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