

## ***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 serve and protect Idahoans by equitably, effectively, and efficiently administering 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 licenses producers, adjusters, third party administrators, and other licensees, 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 help line staffed to service Idaho consumers. 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 Director's administration group provides oversight, guidance and strategic business partnerships to the Insurance Regulation and State Fire Marshal divisions. The fiscal section also collects premium taxes and audits insurance premium tax returns.

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, and Coeur d'Alene (CdA). The department has been appropriated 76.5 FTE (full time equivalent) personnel for FY 2018. The State Fire Marshal has six FTE in Boise, two FTE in Idaho Falls, and two in CdA. The Insurance Regulation Division has two SHIBA FTE and one consumer affairs FTE in Pocatello and two SHIBA FTE FTE in CdA.

While the department collects more than \$90 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 2016	FY 2017	FY 2018	FY 2019
Insurance Administrative Acct	\$7,638,600	\$7,779,800	\$8,336,000	\$9,314,400
Arson Fire & Fraud Acct	\$963,300	\$1,063,000	\$1,070,000	\$920,700
Federal Grant	\$475,700	\$496,700	\$462,200	\$557,100
Miscellaneous Revenue	\$9,000	\$21,000	\$82,000	\$14,000
<b>Total</b>	<b>\$9,086,600</b>	<b>\$9,360,500</b>	<b>\$9,950,200</b>	<b>\$10,806,200</b>
Expenditures	FY 2016	FY 2017	FY 2018	FY 2019
Personnel Costs	\$4,994,200	\$5,226,600	\$5,340,800	\$5,526,300
Operating Expenditures	\$2,150,900	\$2,972,200	\$1,959,700	\$2,032,400
Capital Outlay	\$130,300	\$319,800	\$158,700	\$439,300
<b>Total</b>	<b>\$7,275,400</b>	<b>\$8,518,600</b>	<b>\$7,459,200</b>	<b>\$7,998,000</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 2016	FY 2017	FY 2018	FY 2019
<b>Company Activities Bureau</b>				
Examinations performed	6	10	6	9
Adopt final examination reports within 18 months of the "as is" date	85%	85%	17%	55%
Companies admitted/listed	34	34	58	49
Companies withdrawn/suspended/revoked	28	32	34	22
Total companies regulated	2,166	2,147	2,180	2,219
Title exams performed	38	38	40	44
Perform NAIC Level 1 market analysis for 100% of companies identified in 5% most concerning by industry criteria	100%	100%	100%	100%
Premium taxes collected	\$84,000,564	\$87,578,540	\$92,214,489	\$99,757,192
Producer licensing applications received	22,559	22,506	27,426	26,916
Producer licenses issued	20,040	20,014	24,513	23,770
Continuing Ed courses approved	2,315	2,324	2,315	2,072
<b>Consumer Services Bureau</b>				
Consumer Affairs – Complaints rec'd	990	989	845*	904 *
Consumer Affairs – Inquiries	5,907	6,506	6,795	6,530
SHIBA – Client Contacts	12,818	13,369	14,983	14,492
SHIBA – Clients reached through media/outreach efforts	22,357	21,051	21,485	19,749
Investigations – New cases	377	335	313	387
Investigations – Cases referred to AG (Includes Criminal and Administrative)	31	27	22	38
Investigations – Convictions	7	15	10	12

Cases Managed and/or Key Services Provided	FY 2016	FY 2017	FY 2018	FY 2019
<b>Product Review Bureau</b>				
Policy Forms Filed	28,629	24,406	29,319	28,975
<b>State Fire Marshal</b>				
Fire Investigations	111	126	106	156
Fire Code Inspections	415	480	477	382
Sprinkler Plan Reviews	283	292	432	506
Classes Taught	57	96	105	129

\*As of FY 2018, health claim external review requests are no longer coded as consumer complaints.

### Licensing Freedom Act

Agencies who participate in licensure must report on the number of applicants denied licensure or license renewal and the number of disciplinary actions taken against license holders.

	FY 2016	FY 2017	FY 2018	FY 2019
<b>PRODUCER</b>				
Total Number of Licenses	48,742	60,700	83,794	107,039
Number of New Applicants Denied Licensure	12	9	3	3
Number of Applicants Refused Renewal of a License	1	0	0	0
Number of Complaints Against Licensees	41*	58	36	71
Number of Final Disciplinary Actions Against Licensees	31	30	26	42
<b>SURPLUS LINE BROKER</b>				
Total Number of Licenses	1,168	1,317	1,506	1,698
Number of New Applicants Denied Licensure	0	0	0	0
Number of Applicants Refused Renewal of a License	0	0	0	0
Number of Complaints Against Licensees	0*	0	0	0
Number of Final Disciplinary Actions Against Licensees	0	2	1	0
<b>BAIL AGENT</b>				
Total Number of Licenses	156	171	266	313
Number of New Applicants Denied Licensure	0	0	1	0
Number of Applicants Refused Renewal of a License	0	0	0	0
Number of Complaints Against Licensees	8*	2	17	7
Number of Final Disciplinary Actions Against Licensees	0	1	0	2
<b>ADJUSTER</b>				
Total Number of Licenses	6,817	8,848	11,795	14,985
Number of New Applicants Denied Licensure	0	0	0	0
Number of Applicants Refused Renewal of a License	0	0	0	0
Number of Complaints Against Licensees	0*	0	0	1
Number of Final Disciplinary Actions Against Licensees	1	0	0	0
<b>PUBLIC ADJUSTER</b>				
Total Number of Licenses	71	84	104	123
Number of New Applicants Denied Licensure	0	0	0	0
Number of Applicants Refused Renewal of a License	0	0	0	0
Number of Complaints Against Licensees	0*	0	1	6
Number of Final Disciplinary Actions Against Licensees	1	0	0	0

	FY 2016	FY 2017	FY 2018	FY 2019
<b>PORTABLE ELECTRONICS INSURANCE VENDOR</b>				
Total Number of Licenses	13	16	16	19
Number of New Applicants Denied Licensure	0	0	0	0
Number of Applicants Refused Renewal of a License	0	0	0	0
Number of Complaints Against Licensees	0*	0	0	0
Number of Final Disciplinary Actions Against Licensees	0	0	0	0
<b>INDEPENDENT REVIEW ORGANIZATION</b>				
Total Number of Licenses	9	9	12	12
Number of New Applicants Denied Licensure	0	0	0	0
Number of Applicants Refused Renewal of a License	0	0	0	0
Number of Complaints Against Licensees	0*	0	0	0
Number of Final Disciplinary Actions Against Licensees	0	0	0	0
<b>LIFE SETTLEMENT PROVIDER OR BROKER</b>				
Total Number of Licenses	29	32	42	51
Number of New Applicants Denied Licensure	0	0	0	0
Number of Applicants Refused Renewal of a License	0	0	0	0
Number of Complaints Against Licensees	0*	0	0	0
Number of Final Disciplinary Actions Against Licensees	0	0	0	0
<b>MANAGING GENERAL AGENT</b>				
Total Number of Licenses	24	27	29	36
Number of New Applicants Denied Licensure	0	0	0	0
Number of Applicants Refused Renewal of a License	0	0	0	0
Number of Complaints Against Licensees	0*	0	0	0
Number of Final Disciplinary Actions Against Licensees	0	0	0	0
<b>TITLE AGENT</b>				
Total Number of Licenses	147	157	160	178
Number of New Applicants Denied Licensure	0	0	0	0
Number of Applicants Refused Renewal of a License	0	0	0	0
Number of Complaints Against Licensees	6*	4	6	8
Number of Final Disciplinary Actions Against Licensees	0	0	1	0
<b>REINSURANCE INTERMEDIARY</b>				
Total Number of Licenses	0	0	0	0
Number of New Applicants Denied Licensure	0	0	0	0
Number of Applicants Refused Renewal of a License	0	0	0	0
Number of Complaints Against Licensees	0*	0	0	0
Number of Final Disciplinary Actions Against Licensees	0	0	0	0

	FY 2016	FY 2017	FY 2018	FY 2019
<b>ADMINISTRATOR</b>				
Total Number of Licenses	237	274	314	340
Number of New Applicants Denied Licensure	4	8	7	9
Number of Applicants Refused Renewal of a License	0	0	0	0
Number of Complaints Against Licensees	5*	1	2	1
Number of Final Disciplinary Actions Against Licensees	5	2	0	2
<b>INSURER</b>				
Total Number of Licenses	2,056	2,091	2,155	2,204
Number of New Applicants Denied Licensure	4	9	8	11
Number of Applicants Refused Renewal of a License	0	0	0	0
Number of Complaints Against Licensees	343*	611	568	577
Number of Final Disciplinary Actions Against Licensees	18	20	30	16
<b>REINSURER</b>				
Total Number of Licenses	35	36	38	42
Number of New Applicants Denied Licensure	0	0	0	0
Number of Applicants Refused Renewal of a License	0	0	0	0
Number of Complaints Against Licensees	0*	0	1	0
Number of Final Disciplinary Actions Against Licensees	2	1	2	0
<b>AUTHORIZED SURPLUS LINE INSURER</b>				
Total Number of Licenses	142	143	151	158
Number of New Applicants Denied Licensure	0	0	0	0
Number of Applicants Refused Renewal of a License	0	0	0	0
Number of Complaints Against Licensees	3*	0	0	0
Number of Final Disciplinary Actions Against Licensees	1	0	1	0
<b>COUNTY MUTUAL INSURER</b>				
Total Number of Licenses	1	1	1	1
Number of New Applicants Denied Licensure	0	0	0	0
Number of Applicants Refused Renewal of a License	0	0	0	0
Number of Complaints Against Licensees	0*	0	0	0
Number of Final Disciplinary Actions Against Licensees	0	0	0	0
<b>FRATERNAL BENEFIT SOCIETY</b>				
Total Number of Licenses	14	14	15	15
Number of New Applicants Denied Licensure	0	0	0	0
Number of Applicants Refused Renewal of a License	0	0	0	0
Number of Complaints Against Licensees	4*	2	2	3
Number of Final Disciplinary Actions Against Licensees	0	0	0	0

	FY 2016	FY 2017	FY 2018	FY 2019
<b>HOSPITAL / PROFESSIONAL SERVICE CORPORATION</b>				
Total Number of Licenses	1	1	1	1
Number of New Applicants Denied Licensure	0	0	0	0
Number of Applicants Refused Renewal of a License	0	0	0	0
Number of Complaints Against Licensees	2*	6	3	2
Number of Final Disciplinary Actions Against Licensees	0	0	0	0
<b>HOSPITAL LIABILITY TRUST</b>				
Total Number of Licenses	0	0	0	0
Number of New Applicants Denied Licensure	0	0	0	0
Number of Applicants Refused Renewal of a License	0	0	0	0
Number of Complaints Against Licensees	0*	0	0	0
Number of Final Disciplinary Actions Against Licensees	0	0	0	0
<b>SELF-FUNDED HEALTH CARE PLAN</b>				
Total Number of Licenses	12	12	13	14
Number of New Applicants Denied Licensure	0	0	0	0
Number of Applicants Refused Renewal of a License	0	0	0	0
Number of Complaints Against Licensees	0*	0	0	1
Number of Final Disciplinary Actions Against Licensees	0	0	0	0
<b>RISK RETENTION GROUP</b>				
Total Number of Licenses	65	70	77	78
Number of New Applicants Denied Licensure	0	0	1	1
Number of Applicants Refused Renewal of a License	0	0	0	0
Number of Complaints Against Licensees	0*	0	0	0
Number of Final Disciplinary Actions Against Licensees	1	0	0	0
<b>PURCHASING GROUP</b>				
Total Number of Licenses	221	231	254	267
Number of New Applicants Denied Licensure	0	0	0	0
Number of Applicants Refused Renewal of a License	1	11	2	0
Number of Complaints Against Licensees	0*	0	0	0
Number of Final Disciplinary Actions Against Licensees	0	0	0	0
<b>PETROLEUM CLEAN WATER TRUST</b>				
Total Number of Licenses	1	1	1	1
Number of New Applicants Denied Licensure	0	0	0	0
Number of Applicants Refused Renewal of a License	0	0	0	0
Number of Complaints Against Licensees	0*	0	0	0
Number of Final Disciplinary Actions Against Licensees	0	0	0	0

<b>RATING ORGANIZATION</b>				
Total Number of Licenses	7	7	7	7
Number of New Applicants Denied Licensure	0	0	1	2
Number of Applicants Refused Renewal of a License	0	0	0	0
Number of Complaints Against Licensees	0*	0	0	0
Number of Final Disciplinary Actions Against Licensees	0	0	0	0
<b>ADVISORY ORGANIZATION</b>				
Total Number of Licenses	8	8	8	9
Number of New Applicants Denied Licensure	0	0	0	0
Number of Applicants Refused Renewal of a License	0	0	0	0
Number of Complaints Against Licensees	0	0	0	0
Number of Final Disciplinary Actions Against Licensees	0	0	0	0
<b>CERTIFIED FIRE CODE OFFICIAL</b>				
Total Number of Licenses	641	657	615	569
Number of New Applicants Denied Licensure	0	0	0	0
Number of Applicants Refused Renewal of a License	0	0	0	0
Number of Complaints Against Licensees	0	0	0	0
Number of Final Disciplinary Actions Against Licensees	0	0	0	0
<b>FIRE STANDARD COMPLIANT CIGARETTE CERTIFICATION</b>				
Total Number of Licenses	139	134	124	124
Number of New Applicants Denied Licensure	0	0	0	0
Number of Applicants Refused Renewal of a License	0	0	0	0
Number of Complaints Against Licensees	0	0	0	1
Number of Final Disciplinary Actions Against Licensees	0	0	0	0
<b>FIREWORKS WHOLESALER OR IMPORTER</b>				
Total Number of Licenses	28	31	38	34
Number of New Applicants Denied Licensure	0	0	0	0
Number of Applicants Refused Renewal of a License	0	0	0	0
Number of Complaints Against Licensees	0	0	0	2
Number of Final Disciplinary Actions Against Licensees	0	0	0	2
<b>FIRE PROTECTION SPRINKLER CONTRACTOR</b>				
Total Number of Licenses	67	68	64	61
Number of New Applicants Denied Licensure	0	0	0	0
Number of Applicants Refused Renewal of a License	0	0	0	0
Number of Complaints Against Licensees	0	1	2	2
Number of Final Disciplinary Actions Against Licensees	0	1	2	1
<b>FIRE PROTECTION SPRINKLER FITTER</b>				
Total Number of Licenses	63	73	70	75
Number of New Applicants Denied Licensure	0	0	0	0
Number of Applicants Refused Renewal of a License	0	0	0	0
Number of Complaints Against Licensees	0	0	0	0
Number of Final Disciplinary Actions Against Licensees	0	0	0	0

\*Due to Department record retention, complaint data for FY 2016 is for six months only.

### Red Tape Reduction Act

Each agency shall incorporate into its strategic plan a summary of how it will implement the Red Tape Reduction Act, including any associated goals, objectives, tasks, or performance targets. This information may be included as an addendum.

	As of July 1, 2019
Number of Chapters	49
Number of Words	241,467
Number of Restrictions	3,358

### Part II – Performance Measures

Performance Measure		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
<b>Goal 1</b>						
<i>Company Activities Bureau: To efficiently ensure that insurers doing business in Idaho are financially sound and in compliance with Idaho law.</i>						
1. Complete the review of company applications within 30 days of date application is deemed complete.	actual	90%	92%	90%	92%	-----
	target	100%	100%	100%	100%	100%
2. Issue producer license within five business days of date application is received.	actual	95%	95%	95%	95%	-----
	target	90%	90%	90%	90%	90%
<b>Goal 2</b>						
<i>Consumer Services Bureau: To protect the public from unfair and illegal practices involving insurance by providing counseling and assistance to insurance consumers and investigating allegations of insurance code violations.</i>						
3. Complete and close consumer complaints within 60 days.	actual	91%	90%	88%	90%	-----
	target	90%	90%	90%	90%	90%
<b>Goal 3</b>						
<i>Product Review Bureau: To effectively review insurance policy rates and forms for compliance with Idaho law while not unduly delaying the introduction of new products to the marketplace.</i>						
4. Respond to company rates and forms filings within on average 10 business days.	actual	74%	85%	81%	70%	-----
	target	90%	90%	90%	90%	90%
<b>Goal 4</b>						
<i>State Fire Marshal Office: To investigate fires and assist in the prosecution of arson claims at the request of local units of government.</i>						
5. Respond to requests for fire investigation assistance within 12 hours.	actual	100%	100%	100%	100%	-----
	target	100%	100%	100%	100%	100%

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