

## ***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 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 2015	FY 2016	FY 2017	FY 2018
Insurance Administrative Acct	\$7,403,400	\$7,638,600	\$7,779,800	\$8,336,000
Arson Fire & Fraud Acct	\$945,500	\$963,300	\$1,063,000	\$1,070,000
Federal Grant	\$313,400	\$475,700	\$496,700	\$462,200
Miscellaneous Revenue	\$91,000	\$9,000	\$21,000	\$82,000
<b>Total</b>	<b>\$8,753,300</b>	<b>\$9,086,600</b>	<b>\$9,360,500</b>	<b>\$9,950,200</b>
Expenditures	FY 2015	FY 2016	FY 2017	FY 2018
Personnel Costs	\$4,630,400	\$4,994,200	\$5,226,600	\$5,340,800
Operating Expenditures	\$2,117,200	\$2,150,900	\$2,972,200	\$1,959,700
Capital Outlay	\$142,600	\$130,300	\$319,800	\$158,700
<b>Total</b>	<b>\$6,890,200</b>	<b>\$7,275,400</b>	<b>\$8,518,600</b>	<b>\$7,459,200</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 2015	FY 2016	FY 2017	FY 2018
<b>Company Activities Bureau</b>				
Examinations performed	6	6	10	6
Adopt final examination reports within 18 months of the "as is" date	100%	85%	85%	17%
Companies admitted/listed	46	34	34	58
Companies withdrawn/suspended/revoked	50	28	32	34
Total companies regulated	2,158	2,166	2,147	2,180
Title exams performed	37	38	38	40
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	\$79,466,298	\$84,000,564	\$87,578,540	\$92,214,489
Producer licensing applications received	22,354	22,559	22,506	27,426
Producer licenses issued	18,360	20,040	20,014	24,513
Continuing Ed courses approved	2,250	2,315	2,324	2,315
<b>Consumer Services Bureau</b>				
Consumer Affairs – Complaints rec'd	852	990	989	845*
Consumer Affairs – Inquiries	6,446	5,907	6,506	6,795
SHIBA – Client Contacts	9,501	12,818	13,369	14,983
SHIBA – Clients reached through media/outreach efforts	18,191	22,357	21,051	21,485
Investigations – New cases	283	377	335	313
Investigations – Cases referred to AG (Includes Criminal and Administrative)	22	31	27	22
Investigations – Convictions	6	7	15	10

Cases Managed and/or Key Services Provided	FY 2015	FY 2016	FY 2017	FY 2018
<b>Product Review Bureau</b>				
Policy Forms Filed	31,660	28,629	24,406	29,319
<b>State Fire Marshal</b>				
Fire Investigations	81	111	126	106
Fire Code Inspections	813	415	480	477
Sprinkler Plan Reviews	354	283	292	432
Classes Taught	77	57	96	105

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

**Part II – Performance Measures**

Performance Measure		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
<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%	90%	92%	90%	-----
	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	93%	91%	90%	88%	-----
	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	94%	74%	85%	81%	-----
	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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