

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: the Company Activities Bureau, the Consumer Services Bureau, and the Product Review Bureau. 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 Medicare eligible 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 bureau monitors changes to federal and state law that affect health plans and implements any necessary updates to Idaho insurance laws, rules or written guidance.. 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 71.5 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 2017	FY 2018	FY 2019	FY 2020
Insurance Administrative Acct	\$7,779,800	\$8,336,000	\$9,314,400	\$8,809,300
Arson Fire & Fraud Acct	\$1,063,000	\$1,070,000	\$920,700	\$983,700
Federal Grant	\$496,700	\$462,200	\$557,100	\$510,400
Miscellaneous Revenue	\$21,000	\$82,000	\$14,000	\$21,000
Total	\$9,360,500	\$9,950,200	\$10,806,200	\$10,324,400
Expenditures	FY 2017	FY 2018	FY 2019	FY 2020
Personnel Costs	\$5,226,600	\$5,340,800	\$5,526,300	\$5,170,200
Operating Expenditures	\$2,972,200	\$1,959,700	\$2,032,400	\$2,033,200
Capital Outlay	\$319,800	\$158,700	\$439,300	\$160,800
Total	\$8,518,600	\$7,459,200	\$7,998,000	\$7,364,200

*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 2017	FY 2018	FY 2019	FY 2020
Company Activities Bureau				
Examinations performed	10	6	9	5
Adopt final examination reports within 18 months of the "as is" date	85%	17%	55%	14%
Companies admitted/listed	34	58	49	38
Companies withdrawn/suspended/revoked	32	34	22	14
Total companies regulated	2,147	2,180	2,219	2,231
Title exams performed	38	40	44	34
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	\$87,578,540	\$92,214,489	\$99,757,192	\$106,531,911
Producer licensing applications received	22,506	27,426	26,916	27,373
Producer licenses issued	20,014	24,513	23,770	27,158
Continuing Ed courses approved	2,324	2,315	2,072	2,443
Consumer Services Bureau				
Consumer Affairs – Complaints rec'd	989	845*	904 *	806*
Consumer Affairs – Inquiries	6,506	6,795	6,530	6,218
SHIBA – Client Contacts	13,369	14,983	14,492	13,207
SHIBA – Clients reached through media/outreach efforts	21,051	21,485	19,749	18,977
Investigations – New cases	335	313	387	408
Investigations – Cases referred to AG (Includes Criminal and Administrative)	27	22	38	30
Investigations – Convictions	15	10	12	19
Product Review Bureau				

Cases Managed and/or Key Services Provided	FY 2017	FY 2018	FY 2019	FY 2020
Policy Forms Filed	24,406	29,319	28,975	24,635
State Fire Marshal				
Fire Investigations	126	106	156	192
Fire Code Inspections	480	477	382	442
Sprinkler Plan Reviews	292	432	506	536
Classes Taught	96	105	129	183

*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 2017	FY 2018	FY 2019	FY 2020
PRODUCER				
Total Number of Licenses	60,700	83,794	107,039	110,857
Number of New Applicants Denied Licensure	9	3	3	3
Number of Applicants Refused Renewal of a License	0	0	0	0
Number of Complaints Against Licensees	58	36	71	21
Number of Final Disciplinary Actions Against Licensees	30	26	42	36
SURPLUS LINE BROKER				
Total Number of Licenses	1,317	1,506	1,698	1,711
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	6
Number of Final Disciplinary Actions Against Licensees	2	1	0	4
BAIL AGENT				
Total Number of Licenses	171	266	313	268
Number of New Applicants Denied Licensure	0	1	0	0
Number of Applicants Refused Renewal of a License	0	0	0	0
Number of Complaints Against Licensees	2	17	7	8
Number of Final Disciplinary Actions Against Licensees	1	0	2	2
ADJUSTER				
Total Number of Licenses	8,848	11,795	14,985	15,723
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	0	0	0	3
PUBLIC ADJUSTER				
Total Number of Licenses	84	104	123	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	1	6	0
Number of Final Disciplinary Actions Against Licensees	0	0	0	0

	FY 2017	FY 2018	FY 2019	FY 2020
PORTABLE ELECTRONICS INSURANCE VENDOR				
Total Number of Licenses	16	16	19	20
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
INDEPENDENT REVIEW ORGANIZATION				
Total Number of Licenses	9	12	12	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	0
Number of Final Disciplinary Actions Against Licensees	0	0	0	0
LIFE SETTLEMENT PROVIDER OR BROKER				
Total Number of Licenses	32	42	51	55
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
MANAGING GENERAL AGENT				
Total Number of Licenses	27	29	36	28
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
TITLE AGENT				
Total Number of Licenses	157	160	178	164
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	6	8	6
Number of Final Disciplinary Actions Against Licensees	0	1	0	0
REINSURANCE INTERMEDIARY				
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 2017	FY 2018	FY 2019	FY 2020
ADMINISTRATOR				
Total Number of Licenses	274	314	340	353
Number of New Applicants Denied Licensure	8	7	9	1
Number of Applicants Refused Renewal of a License	0	0	0	0
Number of Complaints Against Licensees	1	2	1	0
Number of Final Disciplinary Actions Against Licensees	2	0	2	0
INSURER				
Total Number of Licenses	2,091	2,155	2,204	2,231
Number of New Applicants Denied Licensure	9	8	11	9
Number of Applicants Refused Renewal of a License	0	0	0	0
Number of Complaints Against Licensees	611	568	577	510
Number of Final Disciplinary Actions Against Licensees	20	30	16	17
REINSURER				
Total Number of Licenses	36	38	42	41
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	0	0
Number of Final Disciplinary Actions Against Licensees	1	2	0	0
AUTHORIZED SURPLUS LINE INSURER				
Total Number of Licenses	143	151	158	160
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	6
Number of Final Disciplinary Actions Against Licensees	0	1	0	0
COUNTY MUTUAL INSURER				
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
FRATERNAL BENEFIT SOCIETY				
Total Number of Licenses	14	15	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	2	2	3	1
Number of Final Disciplinary Actions Against Licensees	0	0	0	0

	FY 2017	FY 2018	FY 2019	FY 2020
HOSPITAL / PROFESSIONAL SERVICE CORPORATION				
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	6	3	2	4
Number of Final Disciplinary Actions Against Licensees	0	0	0	0
HOSPITAL LIABILITY TRUST				
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
SELF-FUNDED HEALTH CARE PLAN				
Total Number of Licenses	12	13	14	16
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	0	0	0	0
RISK RETENTION GROUP				
Total Number of Licenses	70	77	78	81
Number of New Applicants Denied Licensure	0	1	1	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
PURCHASING GROUP				
Total Number of Licenses	231	254	267	268
Number of New Applicants Denied Licensure	0	0	0	0
Number of Applicants Refused Renewal of a License	11	2	0	4
Number of Complaints Against Licensees	0	0	0	0
Number of Final Disciplinary Actions Against Licensees	0	0	0	4
PETROLEUM CLEAN WATER TRUST				
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

RATING ORGANIZATION				
Total Number of Licenses	7	7	7	7
Number of New Applicants Denied Licensure	0	1	2	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
ADVISORY ORGANIZATION				
Total Number of Licenses	8	8	9	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
FIRE STANDARD COMPLIANT CIGARETTE CERTIFICATION				
Total Number of Licenses	134	124	124	117
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	0	0	0	0
FIREWORKS WHOLESALE OR IMPORTER				
Total Number of Licenses	31	38	34	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	2	1
Number of Final Disciplinary Actions Against Licensees	0	0	2	1
FIRE PROTECTION SPRINKLER CONTRACTOR				
Total Number of Licenses	68	64	61	64
Number of New Applicants Denied Licensure	0	0	0	1
Number of Applicants Refused Renewal of a License	0	0	0	0
Number of Complaints Against Licensees	1	2	2	0
Number of Final Disciplinary Actions Against Licensees	1	2	1	0
FIRE PROTECTION SPRINKLER FITTER				
Total Number of Licenses	73	70	75	68
Number of New Applicants Denied Licensure	0	0	0	0
Number of Applicants Refused Renewal of a License	0	0	0	1
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	As of July 1, 2020
Number of Chapters	49	44
Number of Words	241,467	169,749
Number of Restrictions	3,358	7

Part II – Performance Measures

Performance Measure		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Goal 1						
<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	92%	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%
Goal 2						
<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	90%	88%	90%	92%	-----
	target	90%	90%	90%	90%	90%
Goal 3						
<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	85%	81%	70%	81%	-----
	target	90%	90%	90%	90%	90%
Goal 4						
<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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