

## ***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, bail agents, third party administrators, and other licensees. 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 Market Oversight Bureau (MOB) reviews insurance policy and self-funded rates and forms. The MOB meets the effective rate review standards for individual and small group health insurance markets, retaining state-level regulatory authority. It also regulates title agents; and performs market conduct analyses and examinations of insurers and self-funded plans domiciled in Idaho. The MOB 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 2022. 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 in Pocatello and two SHIBA FTE in CdA.

While the department collects more than \$100 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 2019	FY 2020	FY 2021	FY 2022
Insurance Administrative Acct	\$9,314,400	\$8,809,300	\$9,756,800	\$10,234,200
Arson Fire & Fraud Acct	\$920,700	\$983,700	\$992,800	939,000
Federal Grant	\$557,100	\$510,400	\$437,000	442,900
Miscellaneous Revenue	\$14,000	\$21,000	\$74,000	14,000
<b>Total</b>	<b>\$10,806,200</b>	<b>\$10,324,400</b>	<b>\$11,260,600</b>	<b>\$11,630,100</b>
Expenditures	FY 2019	FY 2020	FY 2021	FY 2022
Personnel Costs	\$5,526,300	\$5,170,200	\$4,909,800	\$5,381,000
Operating Expenditures	\$2,032,400	\$2,033,200	\$1,951,600	2,017,600
Capital Outlay	\$439,300	\$160,800	\$123,200	106,800
<b>Total</b>	<b>\$7,998,000</b>	<b>\$7,364,200</b>	<b>\$6,984,600</b>	<b>\$7,505,400</b>

Note: 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 2019	FY 2020	FY 2021	FY 2022
<b>Company Activities Bureau</b>				
Examinations performed	9	5	8	10
Adopt final examination reports within 18 months of the "as of" date	55%	14%	25%	60%
Companies admitted/listed	49	38	30	28
Companies withdrawn/suspended/revoked	22	14	24	14
Total companies regulated	2,219	2,231	2,248	2316
Premium taxes collected	\$99,757,192	\$106,531,911	\$113,733,751	\$129,794,684
Producer licensing applications received	26,916	27,373	38,861	40,536
Producer licenses issued	23,770	27,158	34,846	37,170
Continuing Ed courses approved	2,072	2,443	3,526	1,230
<b>Consumer Services Bureau</b>				
Consumer Affairs – Complaints rec'd	904 *	806*	822	958
Consumer Affairs – Inquiries	6,530	6,218	5,954	5,207
SHIBA – Client Contacts	14,492	13,207	12,053	8,881
SHIBA – Clients reached through media/outreach efforts	19,749	18,977	3,385*	2,949
Investigations – New cases	387	408	425	382
Investigations – Cases referred to AG (Includes Criminal and Administrative)	38	30	28	23
Investigations – Convictions	12	19	17	6
<b>Market Oversight Bureau</b>				
Policy Forms Filed	28,975	24,635	25,554	28,785

Cases Managed and/or Key Services Provided	FY 2019	FY 2020	FY 2021	FY 2022
Title exams performed	44	34	27	39
Perform NAIC Level 1 market analysis for 100% of companies identified in 5% most concerning by industry criteria	100%	100%	47%*	48%
<b>State Fire Marshal</b>				
Fire Investigations	156	192	186	203
Fire Code Inspections	382	442	454	546
Sprinkler Plan Reviews	506	536	524	766
Classes Taught	129	183	73*	93

\* Significantly impacted by COVID-19

### 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 2019	FY 2020	FY 2021	FY 2022
<b>PRODUCER</b>				
Total Number of Licenses	107,039	110,857	127,742	160,586
Number of New Applicants Denied Licensure	3	3	0	0
Number of Applicants Refused Renewal of a License	0	0	0	0
Number of Complaints Against Licensees	71	21	35	42
Number of Final Disciplinary Actions Against Licensees	42	36	27	40
<b>SURPLUS LINE BROKER</b>				
Total Number of Licenses	1,698	1,711	1787	2038
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	6	6	0
Number of Final Disciplinary Actions Against Licensees	0	4	0	0
<b>BAIL AGENT</b>				
Total Number of Licenses	313	268	222	207
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	7	8	0	3
Number of Final Disciplinary Actions Against Licensees	2	2	2	0
<b>ADJUSTER</b>				
Total Number of Licenses	14,985	15,723	16,132	18,237
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	1	0	0	0
Number of Final Disciplinary Actions Against Licensees	0	3	0	0
<b>PUBLIC ADJUSTER</b>				
Total Number of Licenses	123	123	128	149
Number of New Applicants Denied Licensure	0	0	0	0
Number of Applicants Refused Renewal of a License	0	0	0	0

	FY 2019	FY 2020	FY 2021	FY 2022
Number of Complaints Against Licensees	6	0	0	0
Number of Final Disciplinary Actions Against Licensees	0	0	2	0
<b>PORTABLE ELECTRONICS INSURANCE VENDOR</b>				
Total Number of Licenses	19	20	23	25
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	12	14	15	17
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	51	55	59	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	0	0	0
Number of Final Disciplinary Actions Against Licensees	0	0	0	0
<b>MANAGING GENERAL AGENT</b>				
Total Number of Licenses	36	28	31	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
<b>TITLE AGENT</b>				
Total Number of Licenses	178	164	165	169
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	8	6	1	13
Number of Final Disciplinary Actions Against Licensees	0	0	0	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 2019	FY 2020	FY 2021	FY 2022
<b>ADMINISTRATION</b>				
Total Number of Licenses	340	353	364	367
Number of New Applicants Denied Licensure	9	1	0	0
Number of Applicants Refused Renewal of a License	0	0	0	0
Number of Complaints Against Licensees	1	0	0	0
Number of Final Disciplinary Actions Against Licensees	2	0	0	0
<b>INSURER</b>				
Total Number of Licenses	2,204	2,231	2,248	2316
Number of New Applicants Denied Licensure	11	9	0	0
Number of Applicants Refused Renewal of a License	0	0	0	0
Number of Complaints Against Licensees	577	510	457	400
Number of Final Disciplinary Actions Against Licensees	16	17	17	20
<b>REINSURER</b>				
Total Number of Licenses	42	41	42	48
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>AUTHORIZED SURPLUS LINE INSURER</b>				
Total Number of Licenses	158	160	173	185
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	6	6	4
Number of Final Disciplinary Actions Against Licensees	0	0	0	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	96
Number of Final Disciplinary Actions Against Licensees	0	0	0	0
<b>FRATERNAL BENEFIT SOCIETY</b>				
Total Number of Licenses	15	15	15	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	3	1	0	0
Number of Final Disciplinary Actions Against Licensees	0	0	0	0

	FY 2019	FY 2020	FY 2021	FY 2022
<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	4	0	1
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	14	16	16	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	1	0	0	0
Number of Final Disciplinary Actions Against Licensees	0	0	0	0
<b>RISK RETENTION GROUP</b>				
Total Number of Licenses	78	81	82	93
Number of New Applicants Denied Licensure	1	0	0	0
Number of Applicants Refused Renewal of a License	0	0	0	0
Number of Complaints Against Licensees	0	1	2	0
Number of Final Disciplinary Actions Against Licensees	0	0	0	0
<b>PURCHASING GROUP</b>				
Total Number of Licenses	267	268	261	256
Number of New Applicants Denied Licensure	0	0	0	0
Number of Applicants Refused Renewal of a License	0	4	0	0
Number of Complaints Against Licensees	0	0	0	1
Number of Final Disciplinary Actions Against Licensees	0	4	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	9
Number of New Applicants Denied Licensure	2	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>ADVISORY ORGANIZATION</b>				
Total Number of Licenses	9	9	9	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
<b>FIRE STANDARD COMPLIANT CIGARETTE CERTIFICATION</b>				
Total Number of Licenses	124	117	113	100
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	1	0	0	0
Number of Final Disciplinary Actions Against Licensees	0	0	0	0
<b>FIREWORKS WHOLESALE OR IMPORTER</b>				
Total Number of Licenses	34	34	35	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	2	1	0	0
Number of Final Disciplinary Actions Against Licensees	2	1	0	0
<b>FIRE PROTECTION SPRINKLER CONTRACTOR</b>				
Total Number of Licenses	61	64	77	92
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	0	3	0
Number of Final Disciplinary Actions Against Licensees	1	0	3	0
<b>FIRE PROTECTION SPRINKLER FITTER</b>				
Total Number of Licenses	75	68	85	84
Number of New Applicants Denied Licensure	0	0	0	0
Number of Applicants Refused Renewal of a License	0	1	0	0
Number of Complaints Against Licensees	0	0	0	0
Number of Final Disciplinary Actions Against Licensees	0	0	0	0

**Part II – Performance Measures**

Performance Measure		FY 2019	FY 2020	FY 2020	FY 2022	FY 2023
<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	92%	90%	85%	93%	
	target	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%	
<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	90%	92%	94%	95%	
	target	90%	90%	90%	90%	
<b>Goal 3</b>						
<i>Market Oversight 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	70%	81%	88%	80%	
	target	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%	



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