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## BUDGET UNIT BRIEF – FY 2019

Fiscal Services Division

September 24, 2018



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Ground Floor, State Capitol Building

Des Moines, Iowa 50319

515.281.3566

## Insurance Division — Department of Commerce

### Background

The Iowa Insurance Division (IID) is one of five divisions within the Department of Commerce. The Insurance Division regulates all insurance business transacted in Iowa, oversees companies and individuals in the sale of insurance in Iowa, and has general control over all aspects of the insurance industry, from the forms used to the rates charged. The Insurance Division also has statutory authority over activities related to the sale of securities and other regulated products in the State. The Division is directed by the Insurance Commissioner, who is appointed by the Governor and approved by the Iowa Senate.

### Operations

The Insurance Division consists of six bureaus:

- The Market Regulation Bureau assists consumers in understanding insurance by answering questions, providing search capabilities for insurance companies and agents, offering consumer alerts, and receiving complaints about the handling of claims by insurance companies. When necessary, the Bureau conducts investigations and brings disciplinary action against insurance companies and agents. The Bureau also offers an education program to combat securities investment fraud.
- The Company Regulation Bureau licenses insurers that conduct business in Iowa. The Bureau monitors the financial condition of all companies authorized to do business in Iowa for compliance with Iowa statutes and regulations on a quarterly basis. On-site examinations of domestic insurers are completed at least once every five years. The Bureau also regulates workers' compensation of self-insured individuals, and group self-insured individuals and collects premium taxes.
- The Product and Producer Regulation Bureau is responsible for insurance agent licensing, the approval of the policy forms that must be filed by insurance companies, and the approval of rate filings.
- The Enforcement Bureau is responsible for prosecuting administrative actions of bureau chiefs, attorneys, and investigators who prosecute administrative actions for the Insurance Division. The Bureau receives cases from the Market Regulation Bureau and the Securities and Regulated Industries Bureau and decides the appropriate action to be taken on the case through the administrative forums. Reparative action can include fines, suspension or revocation of licenses, and cease and desist orders. The Bureau's enforcement staff represents the Division when cases are heard by an administrative law judge and appealed to the Commissioner. The Bureau is accountable to the Insurance Commissioner, but operates on its own discretion to separate the Commissioner from issues that could be appealed to the Commissioner.

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### More Information

Insurance Division – Department of Commerce: [iid.iowa.gov](http://iid.iowa.gov)  
LSA Staff Contact: Angel Banks-Adams (515.281.6301) [angel.banks-adams@legis.iowa.gov](mailto:angel.banks-adams@legis.iowa.gov)

- The Securities and Regulated Industries Bureau provides investor protection through the administration and enforcement of the Iowa Uniform Securities Act. The Bureau enforces antifraud laws and administrative rules, securities registration and broker-dealer and agent licensing laws, and the full disclosure and substantive investor protection sections of the Iowa Code. The Bureau administers the licensing of broker-dealers and agents, including a review of disciplinary history to determine whether to deny or revoke licenses of broker-dealers and agents; provides broker-dealer and investment adviser examinations; and offers investor education and public information distribution. In addition, the Bureau administers motor vehicle service contracts, prearranged funeral services and merchandise, residential service contracts, congregate care and continuing care retirement facilities, cemetery merchandise, and cemeteries.
- The Insurance Fraud Investigation Bureau investigates and prosecutes fraudulent insurance acts in an effort to reduce the amount of premium dollars used to pay fraudulent claims. The Fraud Bureau receives insurance fraud and medical identity theft referrals from insurance companies, law enforcement agencies, and the public.

In addition to these six bureaus, the Division includes:

- The Iowa Insurance Consumer Advocate, who acts to assist consumers in the areas of insurance, securities, and regulated industries. The Consumer Advocate works in conjunction with the other areas of the Division to advocate for the best interest of consumers and support consumers through policy, outreach, complaint assistance, and administrative actions.
- The Senior Health Insurance Information Program (SHIIP) is a free, confidential service housed within the Insurance Division that helps Iowans make informed decisions about Medicare and other health coverage. The Program trains volunteer insurance counselors to answer questions about Medicare and insurance. The volunteers assist in classroom settings and through one-on-one counseling to evaluate options and help seniors make informed insurance decisions.

### **Funding**

The IID does not receive an annual appropriation from the State General Fund, but rather from the Commerce Revolving Fund (CRF).

### **Related Statutes and Administrative Rules**

Iowa Code chapters [502](#), [502A](#), and [505](#) through [523I](#)  
Iowa Administrative Code [191](#)

### **Budget Unit Number**

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