

**iowa
insurance
division**

Consumer Advocacy Officer
Annual Report

Submitted to the 90th Iowa General Assembly
January 13, 2023

I. Background

The Consumer Advocacy Officer (Consumer Advocate) was established in 2008 under Iowa Code section 505.8, subsection 6, paragraph “b” and requires an annual report on the activities and statistics of the Consumer Advocate.

The Consumer Advocate for the Iowa Insurance Division (IID) is Sonya Sellmeyer. The Consumer Advocate provides fair assistance to consumers in all lines of insurance and investment business under the authority of the IID.

II. 2022 Activities

The functions of the Consumer Advocate include: (a) aiding consumers with inquiries, complaints, and requests for additional review, (b) health insurance rate reviews, (c) conducting insurance industry studies, (d) education and outreach to Iowans, and (e) recommending cases for administrative action. To further these functions, the work of the Consumer Advocate in 2022 focused on the following activities.

A. Consumer Complaints, Inquiries, Appeals, and 515D hearing requests

The Consumer Advocate responds to consumer complaints, inquiries, phone calls, and emails with questions or problems. The IID’s Market Regulation and Securities Bureaus are the front line for investigating consumer complaints. If a consumer requests an additional review of a complaint decision, the Consumer Advocate handles the appeal and renders an opinion. During 2022, fifty consumers appealed to the Consumer Advocate for additional reviews covering health, life, property and casualty, long-term care, and preneed insurance. The Consumer Advocate also has the responsibility to investigate any Iowa consumer complaints regarding the No Surprises Act which went into effect on January 1, 2022. After approximately 20 phone calls regarding possible violations, one violation was identified and corrected by the company.

The Consumer Advocate continued to mediate all requests for a hearing under Iowa Code §515D Automobile Insurance Cancellation Controls. Per §515D.10 any named insured on an auto policy who has received a statement of cancellation, or an insurer’s intent not to renew a policy, may, within fifteen days of the receipt or delivery of a statement of reason, request a hearing before the Commissioner of Insurance. To reduce the number of requests being set for hearing, the Consumer Advocate has been assisting all involved parties to mediate the cancellation or non-renewal issue. The Consumer Advocate resolved the one 515D request for a hearing in 2022 with the company and/or consumer without the scheduling of a hearing.

In 2022, the Consumer Advocate did not initiate any new administrative actions but did assist in several Market Regulation Bureau market conduct issues.

Please see Appendix A for a summary of the consumer complaints handled by the Insurance Division’s Market Regulation Bureau by the line of insurance.

B. The Individual Health Insurance Market Rate Review Process Iowa Code §505.19

The Consumer Advocate participated and assisted consumers with their notice and hearing rights associated with individual marketplace health insurance, and “grandfathered” or “transitional” individual health insurance policy rate increases for 2023. Iowa law provides for a policyholder's right of notice and public hearing when a rate increase request by a company is above the average annual health spending growth rate of 5.4% (as established by the Centers for Medicare and Medicaid Services). The health insurers requesting rate increases that met this criterion in 2022 included the following:

Company Name	Average Percentage of Increase Requested	Approximate Affected Policyholders
Wellmark, Inc. Pre-ACA	6.2%	33,000
Wellmark Health Plan of Iowa (WHPI) Pre-ACA	7.8%	700
Golden Rule Insurance Company Pre-ACA	14%	1,700
Medica Insurance Company ACA	9.74%	19,000
Oscar Insurance Company ACA	5.0%	3,100

The Consumer Advocate’s role in the qualifying rate hearing process is to solicit consumer comments regarding the proposed rate increase and to share the received comments with the public and Commissioner of Insurance during the public hearing. A total of 31 comments were submitted by consumers during the proposed 2023 rate hearing process, down from 91 comments last year. The IID held the public hearings on August 20, 2022, and September 29, 2022, at the IID and were available online via Zoom, which allowed affected members of the public

from across Iowa to participate without driving. Two consumers attended the August 20th hearing in person and 0 consumers participated via Zoom. Those in attendance provided comments on how the rate increase would affect their situation. All reports on the public comments and testimony received on the proposed rate increases were provided to Commissioner Ommen and remain available for public review at [the IID website](#).

C. Studies

Annually, and as required by Iowa Code §505.18, the Consumer Advocate conducts a health care data call to collect information regarding the cost and quality of health care insurance readily available to the consumer. The report provides aggregate health insurance data concerning loss ratios of health insurance carriers licensed to do business in the state, rate increase data and history, health care expenditures and how they affect health insurance premium rates, factors that result in higher and lower costs, medical trends affecting health insurance rates in the state, and any additional data appropriate to provide the governor and general assembly with pertinent health insurance cost information.

The annual healthcare cost [report](#) was submitted on November 15, 2022, to Governor Reynolds and the Iowa Legislature.

D. Outreach and Education

Connecting with Iowans is essential to educate all consumers about financial literacy, in addition to protecting them from becoming victims of fraud. In 2022, the IID continued consumer educational outreach and the Consumer Advocate participated and assisted with the organization and promotion of these programs.

Middle and High School Students

Financial literacy helps middle and high school students take a positive step toward a financially successful future. In 2022, the IID sponsored a total of five "Funding the Future" live events at Denison Middle School, Storm Lake High School, and Indianola Middle School for grades 6-8 reaching a total of 1,867 students. At the events, the musical group Gooding performed and then spoke to students about general financial literacy, the dangers of credit card debt, the pitfalls of predatory lending and payday loans, creating



a savings and investment game plan, and debunking the hype of overnight success.

Comments from teachers and students at Storm Lake High School included:

"Just awesome! I wish I had experienced this when I was a high school student."

"It was helpful for me because I didn't really know some stuff they talked about for example the credit score."

The IID also sponsors *Mad About Money* from the National Theater for Children (NTC). This program uses professional actors to engage middle and junior high students through a series of improvisational comedy sketches to teach the difference between wants versus needs, the difference between debit and credit cards, all about investing, and the importance of a savings habit. During the 2021-2022 school year, NTC reached 12,175 Iowa students, by visiting 94 schools and performing 111 shows. NTC also provided each school with workbooks, infographic posters, online teacher toolkits, and digital games and activities so educational content could continue after the assembly. Their programs received great reviews from students and teachers. A teacher in New Hampton stated:

"We loved this performance! The kids were extremely engaged by the actor, and we had a great discussion afterwards in our classroom. I also enjoyed having the kids play the Financial Feud game in the classroom. It was also nice to discuss some of the content".

The IID also continues to financially sponsor EVERFI's Financial Literacy, Venture, and Marketplace platforms. All three programs are student-driven, engaging, online resources that use real-life simulations, videos, animations, and interactive activities to bring complex financial concepts to life. During the 2021-2022 school



year, the IID's support of EVERFI's educational resources reached 16,851 Iowa high school students, for 45,563 hours of learning at 213 schools. In September, Commissioner Doug Ommen visited several central Iowa schools and discussed financial literacy with students.

The IID and the Consumer Advocate will continue involvement in the financial literacy of Iowa's middle and high school

students to encourage a stable financial future resulting in a strong economy for Iowa.

Adults



The Consumer Advocate also assists with Iowa Fraud Fighters presentations, a joint agency effort to educate and protect older Iowans about avoiding and reporting fraud. In 2022, the IID held four in-person Fraud Fighter events in Sioux City, Davenport, Atlantic, and Tama reaching 226 Iowans. At the events, attendees learned how to

shield their investments and savings from scammers. The Office of the Attorney General and the Senior Health Insurance Information Program (SHIIP) are Iowa Fraud Fighter partners. Local law enforcement also participated to provide an update on fraud happening in their community. The Consumer Advocate also did four in-person Fraud Fighter events reaching approximately 120 Iowans. During 2022, Iowa Fraud Fighters started a newsletter to share information on pertinent scams, highlight relevant consumer connection blogs, direct traffic to the website, and generate interest in Fraud Fighter events. Each of the six newsletters were sent to approximately 2,000 email addresses averaging a 22.7% open rate, which is slightly above average for regular eblast open rates. The Fraud Fighter website continues to be a source of information regarding fraud with a total of 39,424 sessions with an average website time of over 3 minutes.

To assist in the fight against fraud, the Consumer Advocate trained directors and volunteers from the AmeriCorps Retired Senior Volunteer Program (RSVP) to present the Iowa Fraud Fighter's presentation to local organizations on our behalf. This allows the Fraud Fighter platform to reach a wider audience with greater protection for Iowa consumers against fraud. In 2022, the IID continued its contracts with nine RSVP chapters, for approximately 20 presentations under this partnership. Twelve additional volunteers to do Fraud Fighter presentations to interested local groups were trained in 2022. The RSVP program participation represents volunteer community members looking out for their fellow Iowans by educating and bringing about fraud awareness.

The IID's retirement security initiative [Save4Later Iowa](#) is free to all Iowans at any age or stage of their financial journey to retirement. The Save4Later website contains educational videos, action guides, calculators, and educational courses which will set in motion your knowledge on subjects as simple as budgeting to how to make your money last through retirement. The purpose of the website is to offer Iowans a sales-free source of information to help plan, earn, save, and ultimately retire in a financially sound manner. There were 936 visits to the Save4Later website and 1,373 consumers clicked into at least one of the free courses offered on the [Save4Later](#) and [SmarHER Money](#) websites. The most popular free courses were Creating a Budget, Planning for Retirement, Shopping for Insurance, Debt Management, Family Conversations about Money, and Paying for College.

On October 17, 2022, the IID held its inaugural [SmarHER Money](#) conference drawing 130 attendees to the Bien VenU Event Center in Cedar Falls for the all-day event. Attendees heard from [local and national experts](#) about the importance of improving their financial wellness, and securing their financial future. Of those that completed an after-conference survey, 81% of the attendees rated the conference as excellent, and over 80% stated they would take specific action regarding their finances. Three smaller SmarHER Money presentations done by the Consumer Advocate in partnership with Connections Area Agency on Aging in Council Bluffs, Sioux City, and Creston. The three programs were attended by approximately 50 women and were very well received. Residents of a local halfway house attended the event in Sioux City. The [SmarHER Money](#) website had 4,488 visits in 2022.



The IID completed its last year as a sponsor of the Financial Fitness Challenge (Challenge) administered by the Financial Fitness Group. The Challenge was offered to employers and organizations so they could provide free and unbiased financial wellness and education classes to their employees. In 2022, twenty-seven employers/organizations participated reaching 890 users who completed

1,818 courses for an average knowledge change of 24.10%. The three most popular courses completed were Financial Planning during Hard Economic Times, Introduction to Retirement Planning, and Iowa Programs That Can Help You.

The Consumer Advocate continued the ["Consumer Connection"](#) electronic newsletter started in December 2019. The "Consumer Connection" educates consumers on issues such as protection against fraud, current and basic insurance information, and retirement planning and security. Additionally, Sioux City AM Radio KSCJ regularly has the Consumer Advocate on to discuss the most recent Consumer Connection on the evening "Drivetime Live" show. The Consumer Advocate also had at least four other radio and television interviews with different stations from around the state.

The Consumer Advocate is also the IID's representative at the Iowa Inter-agency Financial Literacy Group which is a cohort within Iowa state government that promotes, identifies, and coordinates the financial literacy efforts of state agencies. The group generates efficiencies, fosters communication, promotes collaboration, and shares best practices that positively impact all Iowans.

E. Additional Consumer Protection Functions

Based on the current complaint and inquiry trends, it is evident that the ever-changing world of insurance and investments requires additional education and outreach to all Iowans. Those education initiatives are a priority for the Consumer Advocate.

Our aging population is also of concern to the Consumer Advocate as this population segment continues to be victimized by financial and investment fraud. One of the Consumer Advocate's main objectives for 2023 continues to be the protection of all of Iowa's consumers. The IID was awarded a grant from the Investor Protection Trust to provide our Iowa Fraud Fighters message in Spanish. Details of the grant and its success will be included in the 2023 report.

Recommendations

A. Legislation and Administrative Rules

The IID is introducing one bill this legislative session which deals with life insurance investment law. The Consumer Advocate is in support of any laws which strengthen company protections and ultimately consumers.

The Consumer Advocate will continue working with all areas of the IID throughout 2023 to file legislation and administrative rules as needed.

III. Conclusion

The work of the Consumer Advocate exists to represent and aid Iowa's policyholders and investors. The Consumer Advocate and those who work to serve consumers within the Division, thank the Legislature for this opportunity. Upon request, additional information will be provided on any of the consumer activities of the Consumer Advocate and IID.

Sincerely,

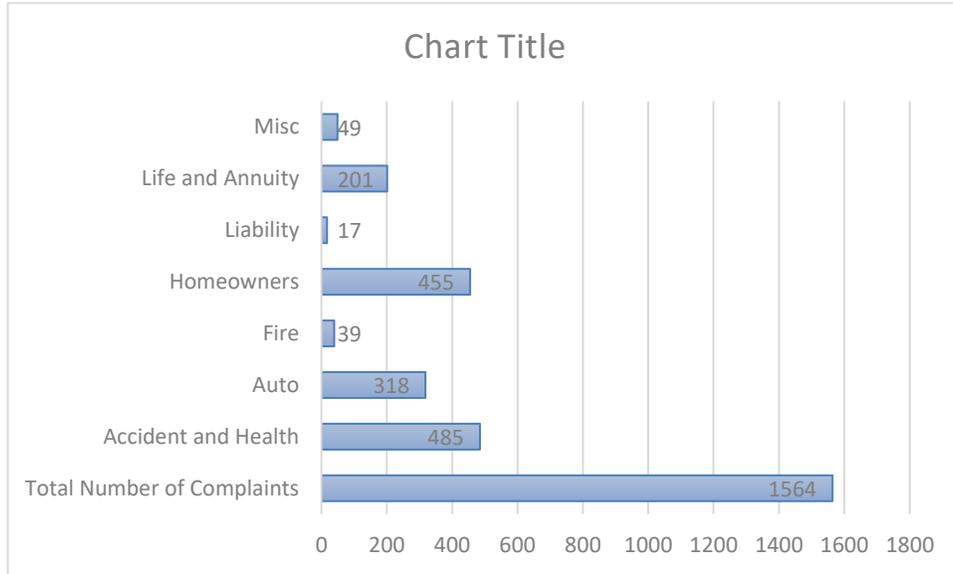
A handwritten signature in black ink that reads "Sonya M. Sellmeyer". The signature is written in a cursive style with a large, prominent 'S' at the beginning.

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Appendix A: 2022 Complaint Statistics for Iowa

The following statistics reflect the 2022 closed cases of the Market Regulation Bureau of the Iowa Insurance Division per Iowa Code §505.8(6)(b)(6)(c).

Complaints Handled by the Iowa Insurance Division Market Regulation Bureau by Line of Insurance



2022 Closed Insurance Complaints for Iowa and Surrounding States

Closed Iowa Complaints	Closed Minnesota Complaints	Closed Missouri Complaints	Closed Nebraska Complaints	Closed South Dakota Complaints	Closed Wisconsin Complaints
1,564	3,872	2,500	1,129	450	2,684