



Consumer Advocacy Officer, Iowa Insurance Division
Annual Report

Submitted to the 90th Iowa General Assembly
January 12, 2024

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.

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

II. 2023 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 lowans, and (e) recommending cases for administrative action. To further these functions, the work of the Consumer Advocate in 2023 focused on the following activities.

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

The Consumer Advocate responds to consumer questions or problems via complaints, inquiries, phone calls, and emails. The Division’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 independent opinion. During 2023, 44 consumers appealed to the Consumer Advocate for additional reviews covering health, life, property and casualty, long-term care, and a residential service contract. The Consumer Advocate also has the responsibility to investigate any Iowa consumer complaints regarding the No Surprises Act (NSA) which went into effect on January 1, 2022. Nine complaints were filed by consumers as NSA related in 2023. Of those nine complaints, two pertained to NSA, three were processing errors by the health insurance carrier, two were contract provisions, and two complainants failed to respond to further requests for information. A total of \$2,261.88 was recovered for lowans during the investigation of the NSA complaints.

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 Insurance Commissioner. To reduce the number of requests set for hearing, the Consumer Advocate has been assisting all involved parties to mediate the cancellation or non-renewal issue. The Consumer Advocate had six §515D requests for a hearing

in 2023. Two of the requests were resolved with a reinstatement of auto insurance coverage and the other four were resolved without the scheduling of a hearing.

In 2023, 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 2024. 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 5.1% (as established by the Centers for Medicare and Medicaid Services). The health insurers requesting rate increases that met this criterion for 2024 included the following:

Company Name	Average Percentage of Increase Requested	Approximate Affected Policyholders
Medica Insurance Company ACA Individual	3.14% ¹	15,245
Oscar Insurance Company ACA Individual	1.5% ²	1,263

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. One consumer comment was submitted during the proposed 2024 rate hearing process, down from 31 comments last year. The Division held the

¹ The average rate change by product line will range from 2% to 7.1% with variations at the plan level.

² The proposed rate change varies by plan and ranges from -7% for some plans and up to 10% for other plans.

public hearing on August 19, 2023, at the Division and consumers were able to view the hearing online via Zoom, which allowed affected members of the public from across Iowa to participate without driving. No members of the public participated in the hearing in person or via Zoom. 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 Division 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 consumers. 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, 2023, to Governor Reynolds and the Iowa Legislature.

D. Outreach and Education

Connecting with Iowans is essential to educate all consumers about financial literacy, and protecting them from becoming victims of fraud. In 2023, the Division continued consumer educational outreach and the Consumer Advocate participated and assisted with the organization and promotion of these programs.

Iowa Students

Financial literacy helps middle and high school students take a positive step toward a financially successful future. The Division sponsors *Mad About Money* from the National Theater for Children (NTC). This program uses professional actors to engage middle and junior high students through 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 2022-2023 school year, NTC reached 11,324 Iowa students and 722 teachers by visiting 94 schools and performing 106 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 at the Iowa School for the Deaf stated:

“The students commented the next day about the performance. Several were using the terms and concepts presented. They loved it.”

In 2023, the Division sponsored four "Funding the Future" live events at the following high schools: Hampton-Dumont, Rockford, Lynnville-Sully, and Winterset reaching a total of 1,200 students. At the events, the musical performer Carter Hulseley 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.



The Division 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 2022-2023 school year, the Division's support of EVERFI's educational resources reached 15,149 Iowa high school students, for 43,901 hours of learning at 213 schools. In September, several members of the Iowa Insurance Division staff visited four central Iowa schools and discussed financial literacy with students. Having a financial literacy discussion in-person with students was rewarding to all who participated.

The [Division has partnered with the University of Northern Iowa](#) (UNI) with a donation to reimburse high school students in paying for a financial literacy exam. High school students that pass the exam earn three college credit hours, and are reimbursed the initial exam fee of \$100 in the form of a Visa prepaid card. With the donation teachers are also eligible to have their \$100 tuition covered. Since the fall semester of 2023, 90 students have received the \$100 prepaid card.

The Division 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.

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 2023, the Division held a large in-person Fraud Fighter event in Urbandale with approximately 150 Iowans in attendance. 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) also presented at the event and continue to be Iowa Fraud Fighter partners. The Consumer Advocate also did five in-person and virtual Fraud Fighter events reaching approximately 250 Iowans.

To assist in the fight against fraud across Iowa, the Consumer Advocate continued to train 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 2023, the Division continued its contracts with nine RSVP chapters, for approximately 11 presentations reaching 156 Iowans. The RSVP program participation represents volunteer community members looking out for their fellow Iowans by educating and bringing about fraud awareness.

[Lucha Antifraude de Iowa](#) (Lucha Antifraude) the Spanish version of Fraud Fighters was developed due to a grant the Division received from the Investor Protection Trust. The grant ran from April to September and allowed the Division to target adults in Iowa who speak Spanish as a first language with interest in banking, investments, insurance, financial planning, online shopping, Facebook marketplace, aging and caregiving for elder Iowans, lottery/sweepstakes, and Medicare. All English Fraud Fighter materials were translated to Spanish, and graphics were updated to be culturally inclusive of the Latino and Hispanic communities. The campaign's objective was to educate our target audiences on investment and consumer fraud, empower them to recognize scams, report them

to appropriate authorities, and thus help them to protect their savings. The successful campaign made over 30,000 impressions and a million engagements.

The Division'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 that educate Iowans on subjects as simple as budgeting and 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.

[Care4kids](#), a Save4Later initiative, was developed in 2023 to educate Iowa child care providers about state resources available while providing an atmosphere to discuss the challenges of running a child care business. The program included six-panel events throughout the state between April and September 2023. Events were held in Des Moines, Cedar Falls, Council Bluffs, Sioux City, Cedar Rapids, and Davenport. Care4Kids partnered with the Iowa Department of Health and Human Services (HHS), Iowa Child Care Resource & Referral, and the Iowa Women's Foundation for the events. Local panelists were identified to speak at each event as well as exhibit booths to interact with the event attendees. To assist in attendance at the events and ongoing engagement with both in-home and child care organizations, a targeted paid media campaign was launched specifically to reach our niche audience. The campaign included a website and mobile app, an online registration portal, direct mail, digital display, public relations, social media, and email communications. The campaign had over 5.5 million impressions, 25,831 total engagements, and 397 total event attendees and provided three free HHS training credit hours to over 251 child care providers. The Division looks forward to continuing our financial literacy efforts with child care providers.



The Division also continued its women-focused [SmarHER Money](#) program with over 9,000 new views on the website and two in-person events reaching over 100 Iowans. The Division was a sponsor for the Women Lead Change conference in Des Moines. As part of our sponsorship, SmarHER Money had a booth where we educated

attendees about the program. Credit Union Superintendent Katie Averill joined our table to help spread the SmartHER Money message.

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. 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 ten other radio and television interviews with different stations from around the state on various insurance and investment topics.

The Consumer Advocate is also the Division’s representative for the Iowa Inter-agency Financial Literacy Group 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.

Due to the state agency collaboration within the interagency financial literacy group, the Consumer Advocate has started a monthly virtual workshop for Iowa Workforce Development and their Iowa Works program. Each month the Consumer Advocate or representatives from the Banking or Credit Union Divisions virtually present an hour-long presentation on a wide range of financial literacy topics such as savings accounts, debt management, investments, and insurance.

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 to ensure a strong economy. Those education initiatives are a priority for the Consumer Advocate.

Iowa’s aging population is a 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 2024 continues to be the protection and education of all Iowa consumers.

Recommendations

A. Legislation and Administrative Rules

The Division is introducing four bills this legislative session which deals with the regulation of insurance. The Consumer Advocate is in support of any laws that strengthen insurance company finances which lead to ultimately protecting consumers.

The Consumer Advocate will continue working with all areas of the Division throughout 2024 to suggest and 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 Division.

Sincerely,

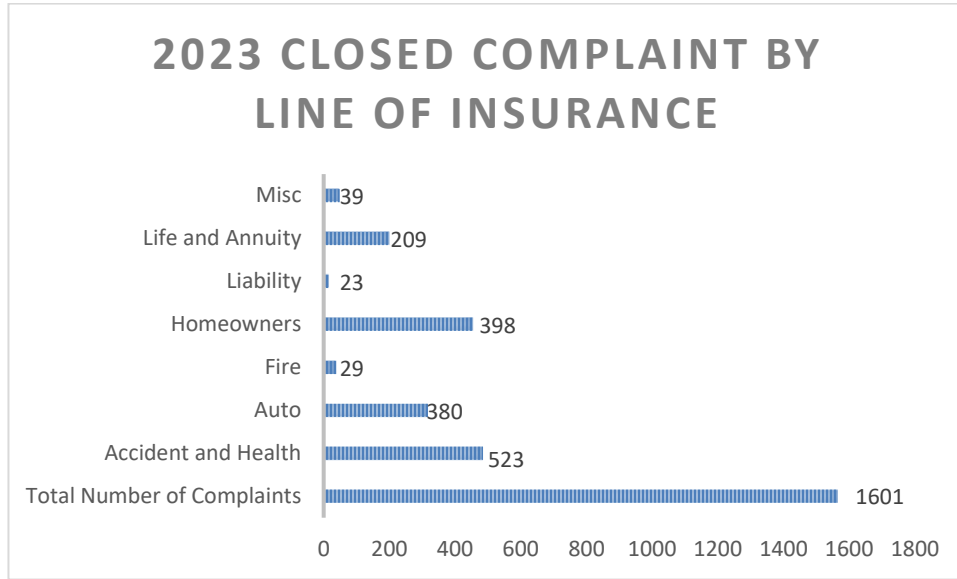
A handwritten signature in black ink that reads "Sonya M. Sellmeyer". The signature is written in a cursive style with a large initial 'S'.

Sonya M. Sellmeyer
Consumer Advocacy Officer, Iowa Insurance Division
Department of Insurance and Financial Services
Office: (515) 654-6538
sonya.sellmeyer@iid.iowa.gov

Appendix A: 2023 Complaint Statistics for Iowa

The following statistics reflect the 2023 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



2023 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
1,601	3,570	2,574	1,133	456	2,169