

Budget Unit Brief

FY 2017



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 self-insureds and workers' compensation group self-insureds 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 a bureau chief, attorneys, and investigators that 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 the 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.
- 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 brokers-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.

More Information

Insurance Division, Department of Commerce: <http://www.iid.state.ia.us/>

Iowa General Assembly: <https://www.legis.iowa.gov/>

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Insurance Division, Department of Commerce

- 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 the five bureaus, the Division includes:

- The **Iowa Insurance Consumer Advocate** 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 by 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 the Commerce Revolving Fund (CRF). For FY 2017, the Division received an appropriation of approximately \$5.9 million and 99.65 appropriated FTE positions.

Related Statutes

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

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