

DIFS FY 2026 BUDGET OVERVIEW

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Admin and Reg Budget Subcommittee
Iowa House of Representatives
Date: 3/3/2025

Presenter: Doug Ommen





Department of Insurance
and Financial Services

Department is governed by Iowa Code Chapter 546 -Iowa Administrative Rules Section 181.
Administers and coordinates all regulatory, service, and licensing functions of the state relating to:



BANKING



CREDIT UNIONS



INSURANCE



DIFS MISSION

- ▶ The Department of Insurance and Financial Services protects consumers and ensures regulated entities operate in a safe and sound manner by applying a fair, effective, and positive environment for the entities we supervise and regulate that adheres to applicable laws and regulations while also promoting consumer education and promoting financial literacy for Iowans.
- ▶ Serve Iowans by effectively and efficiently providing a fair, flexible, and positive regulatory environment.
- ▶ Develop leaders that promote empowerment, communication, trust, and cooperation. Develop employee's knowledge and skills to effectively regulate and meet customer needs. Increase consumer and customer awareness through public education.
- ▶ Increase efficiency and responsiveness by sharing departmental resources. Increase efficient transfer of information through advanced technology.



OUR LEADERSHIP TEAM



Doug Ommen

DIFS Director and
Insurance Commissioner



James Johnson

Superintendent
of Banking



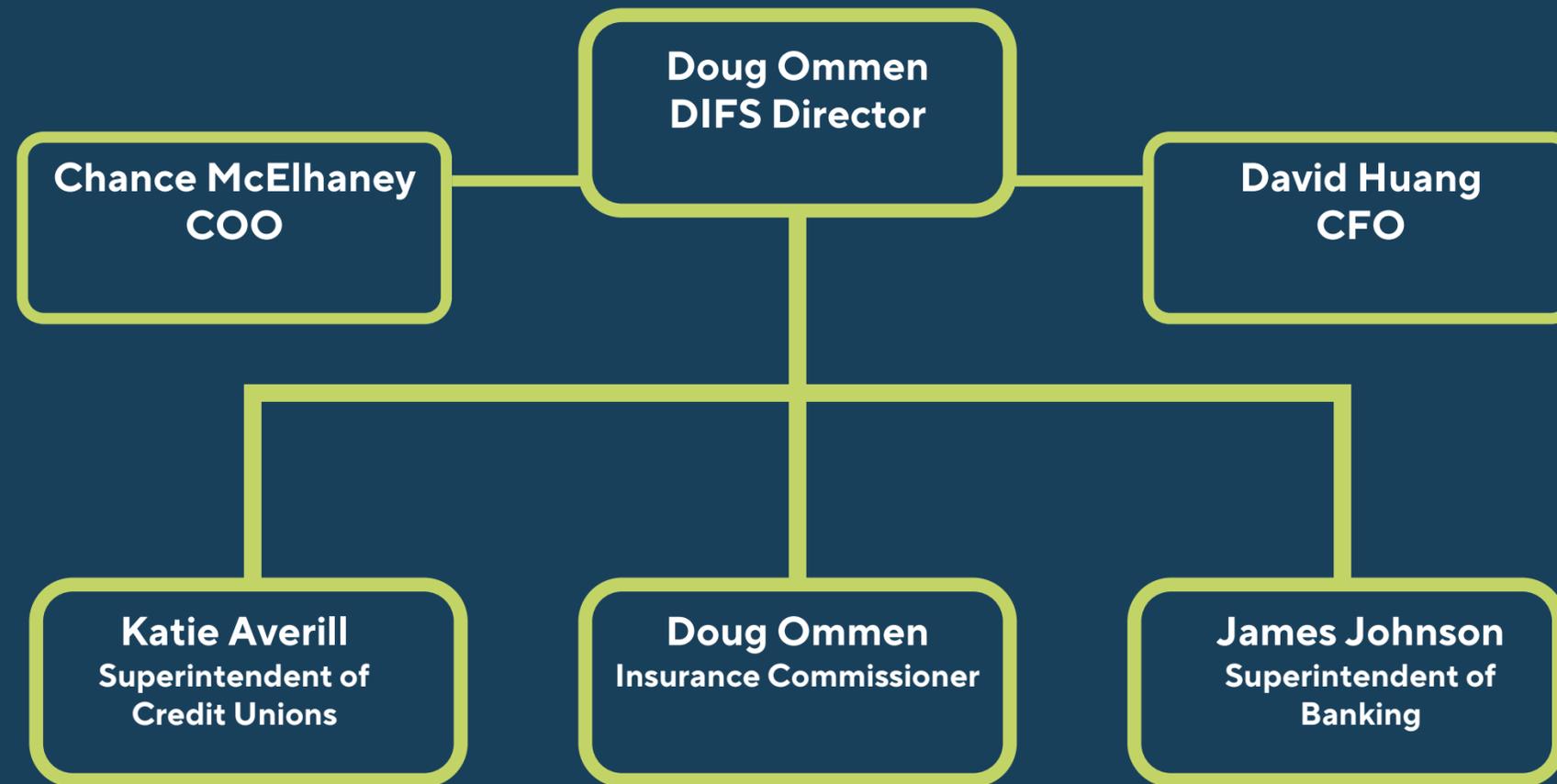
Katie Averill

Superintendent
of Credit Unions



Department of Insurance
and Financial Services

DIFS ORGANIZATIONAL CHART



Department of Insurance
and Financial Services

DIVISION APPROPRIATION REQUESTS



BANKING

Status quo appropriation of **\$14,343,523** for Iowa Division of Banking (IDOB) to provide regulatory functions and services to Iowa chartered banks and licensed financial services providers.



CREDIT UNIONS

Status quo appropriation of **\$2,875,989** for Iowa Credit Union Division (IDCU) to provide regulatory functions and services to Iowa chartered credit unions.



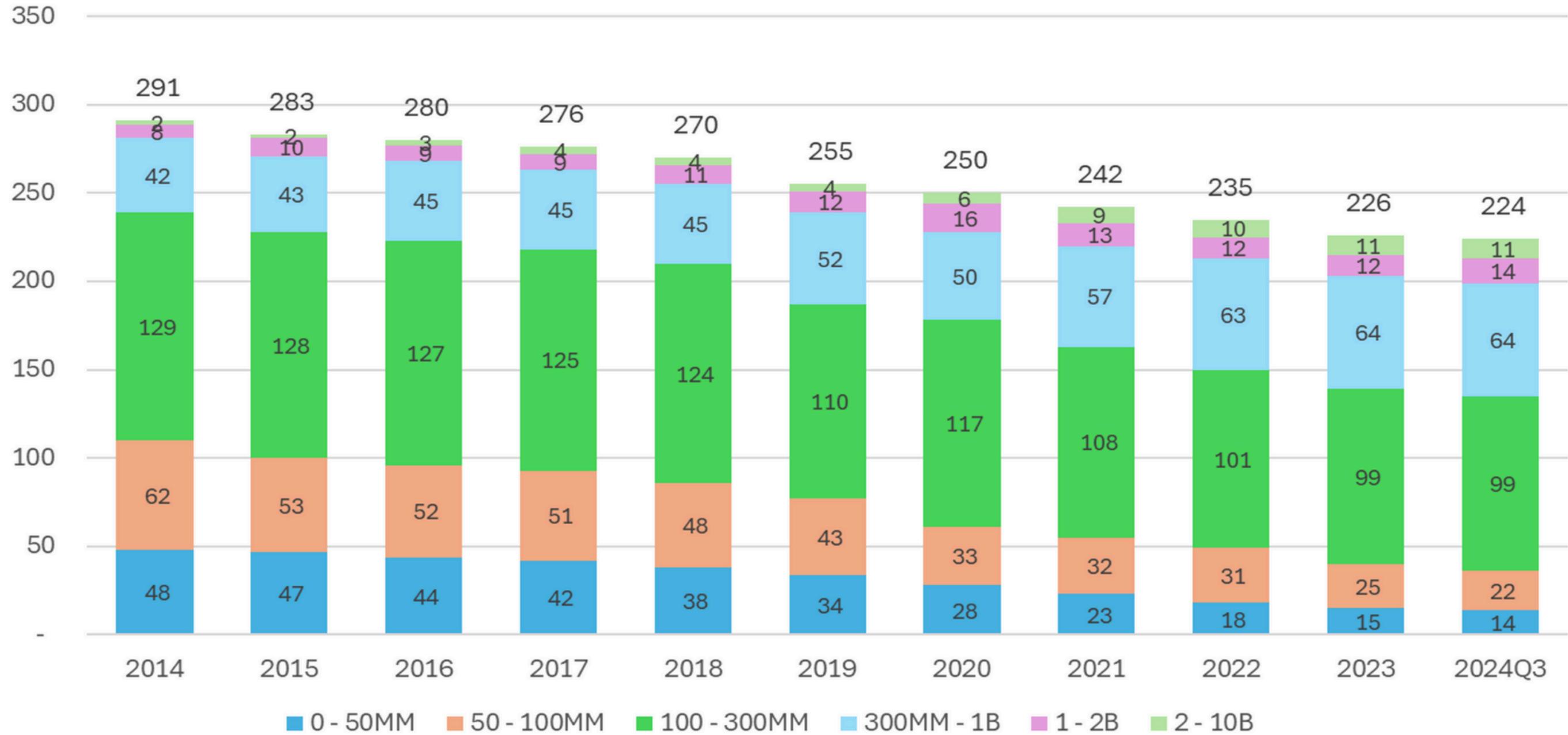
INSURANCE

Appropriation of **\$10,326,541** for the Iowa Insurance Division (IID) to provide regulatory functions and services to insurance companies, security companies, market regulation, fraud enforcement, consumer advocate, and others. This includes \$600K for additional funding for PBM regulation.

BANKING DIVISION

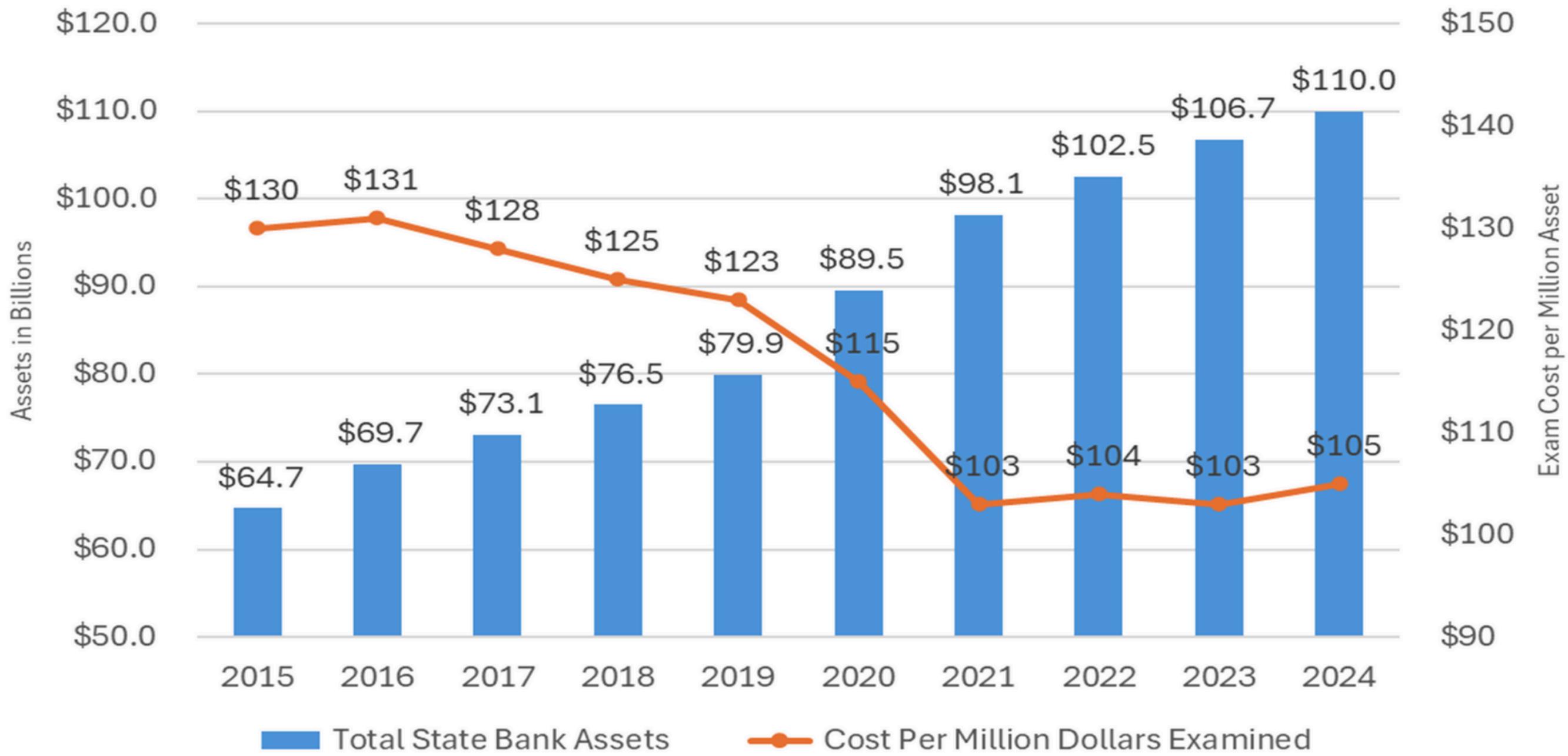
- ▶ Iowa communities are more successful when they have strong, well-run banks. The Iowa Division of Banking is committed to ensuring that Iowa's citizens receive professional, competent, and safe financial services.
- ▶ Two bureaus - bank bureau and finance bureau.
- ▶ Funded entirely by the financial service providers and professionals that we supervise and license, with most of the funding provided by state-chartered banks. We strive to provide cost-effective supervision.

Number of Iowa State Chartered Banks - By Size



Department of Insurance and Financial Services

State Bank Assets vs Examination Cost per Million Dollars Examined

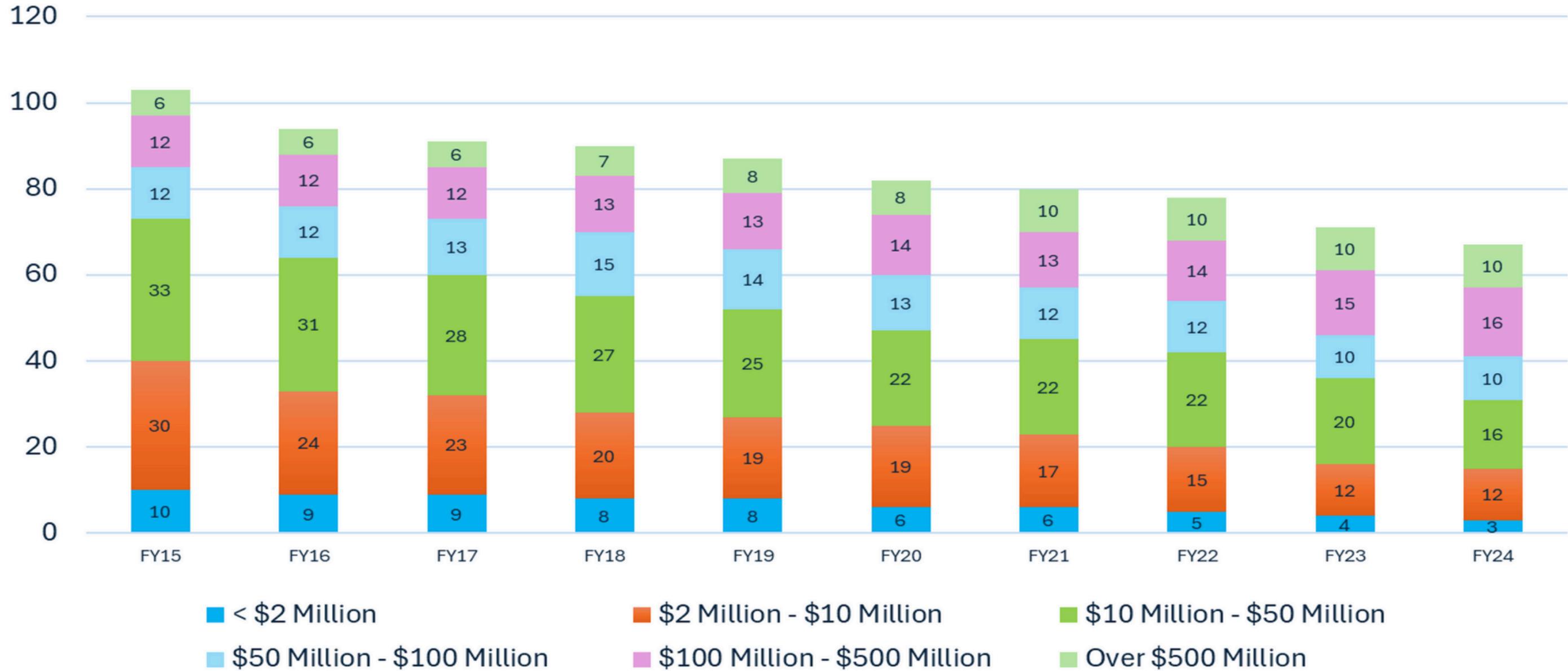


Department of Insurance
and Financial Services

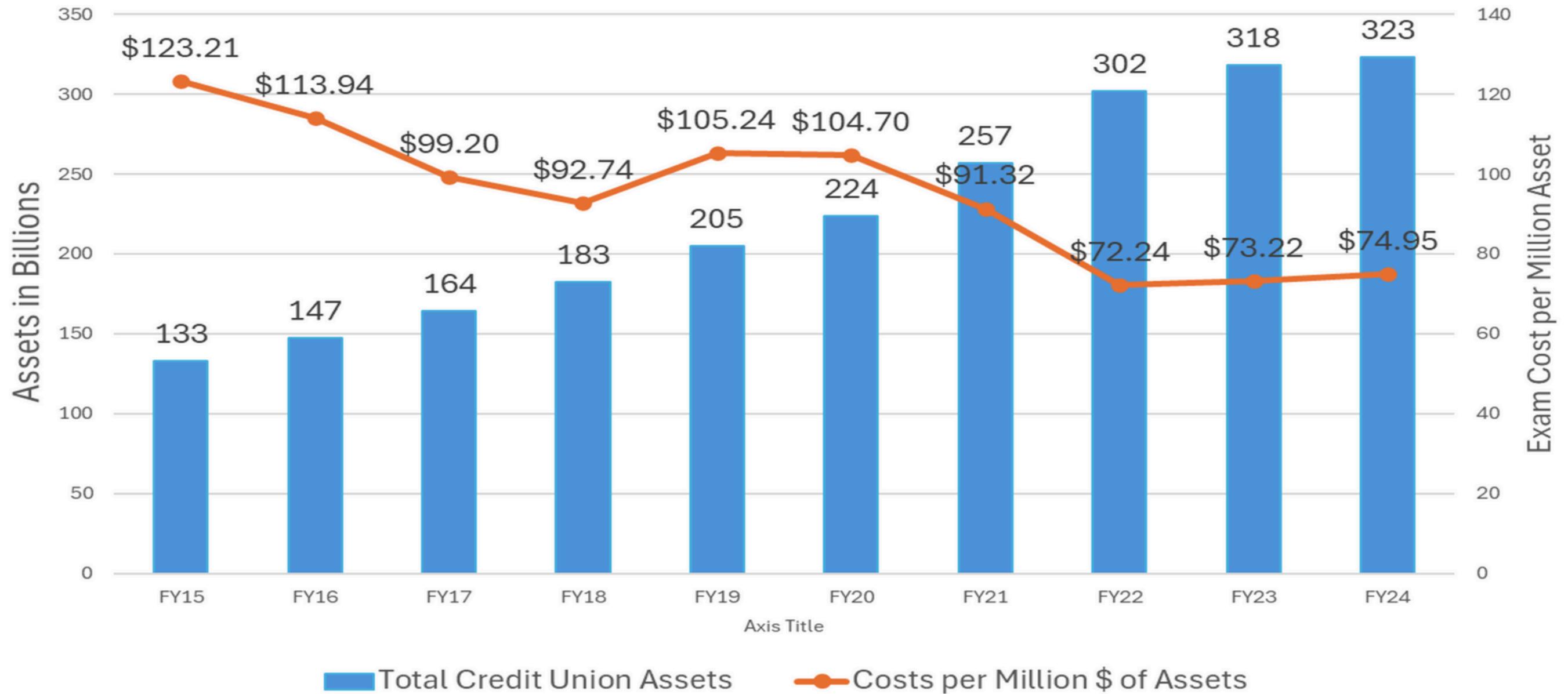
CREDIT UNION DIVISION

- ▶ Iowa state-chartered credit unions are non-profit, member-owned cooperative financial institutions, overseen by elected boards of directors and the Division of Credit Unions. Credit unions provide credit at fair and reasonable rates of interest, encourage habits of thrift among their members, and provide opportunities for their members to use and control their own money on a democratic basis in order to improve their economic and social condition.
- ▶ The Division of Credit Unions is entirely funded by annual regulatory fees paid by state-chartered credit unions.

Number of Iowa State-Chartered Credit Unions By Asset Size



Credit Union Asset vs Examination Cost per \$Million Assets Examined





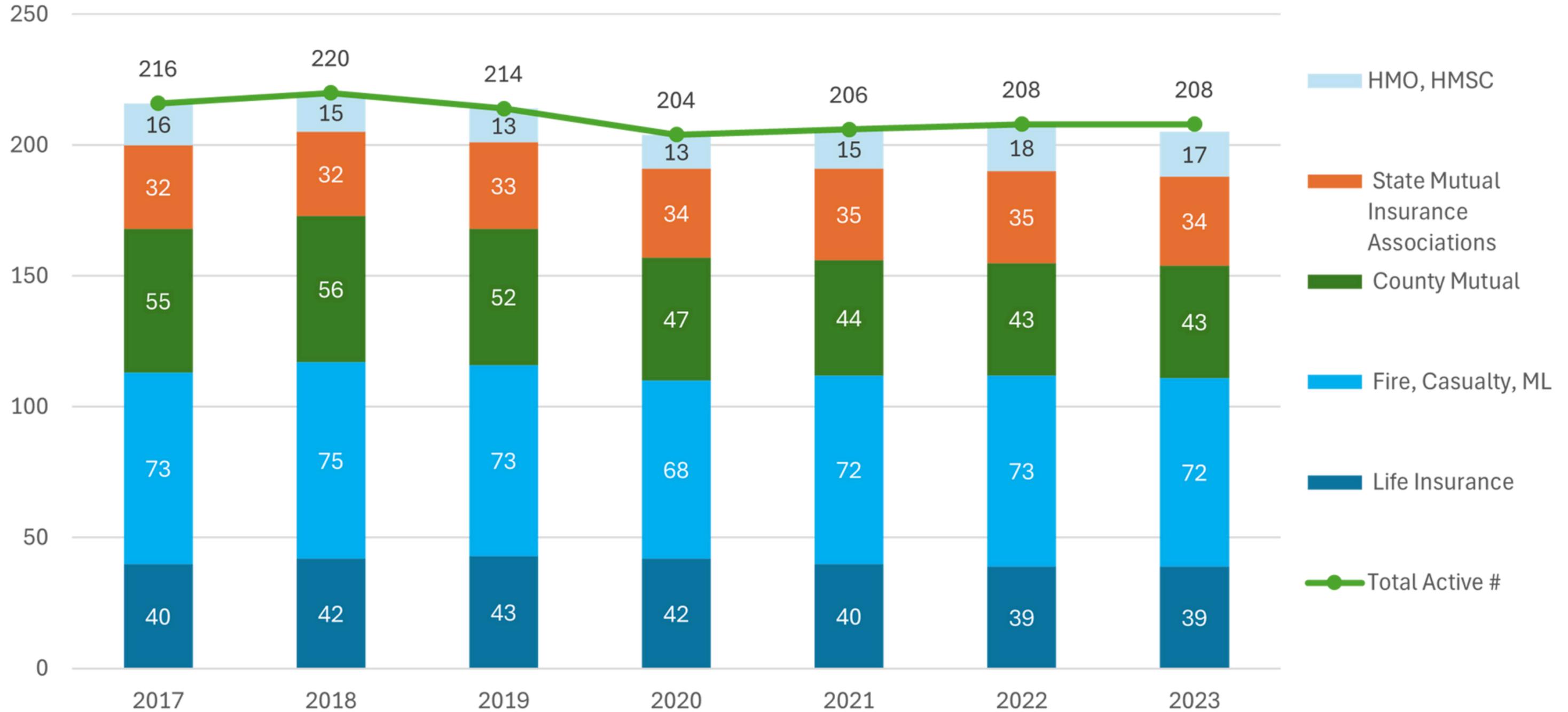
IOWA INSURANCE INDUSTRY

- ▶ Iowa has the highest share of its private workforce employed in the insurance industry in the nation. Iowa employs approximately 2.9% vs 1.74% for the U.S.
- ▶ The insurance industry supported, both direct and spillover, wages & salaries of \$6.6 billion, self-employment income of \$626.8 million with a total impact of \$32.3 billion.
- ▶ The insurance industry revenues supported 102,088 jobs, both directly and indirectly, with average wages and salaries per job of \$100,117 and \$65,047 correspondingly.
- ▶ The Iowa insurance industry generated \$1.0 billion in state and local tax collections which represented 5.4% of total tax collections in the state.
- ▶ The Iowa insurance industry lowered the cost of municipal borrowing in the state by 0.33% saving local government agencies in the state \$73.6 million in 2022.

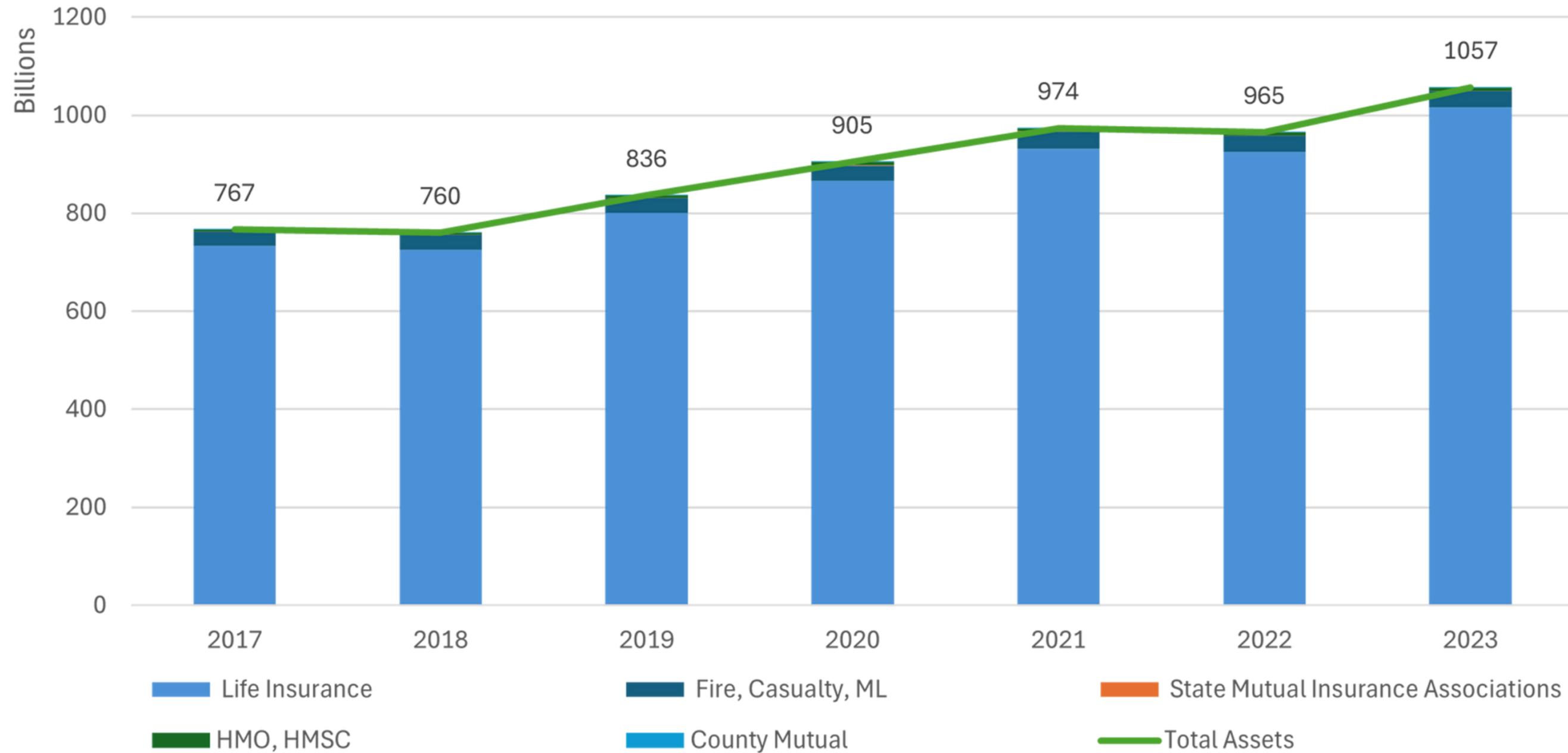
INSURANCE DIVISION

- ▶ The Insurance Division is nearly entirely funded by regulatory fees paid by insurance and securities industries - the only exceptions being SHIP/SMP and the Captive insurance program.
- ▶ Core operations
 - Production Regulation – securities, product and producer, regulated industries, and others.
 - Market Regulation – market regulation, fraud enforcement, consumer advocate, and others.
 - Company Regulation – Licensing, actuarial, investment, accounting policy, examination and analysis, and others.
- ▶ Help businesses mitigate risk and protect their employees.

NUMBER OF IOWA DOMICILED INSURANCE COMPANIES



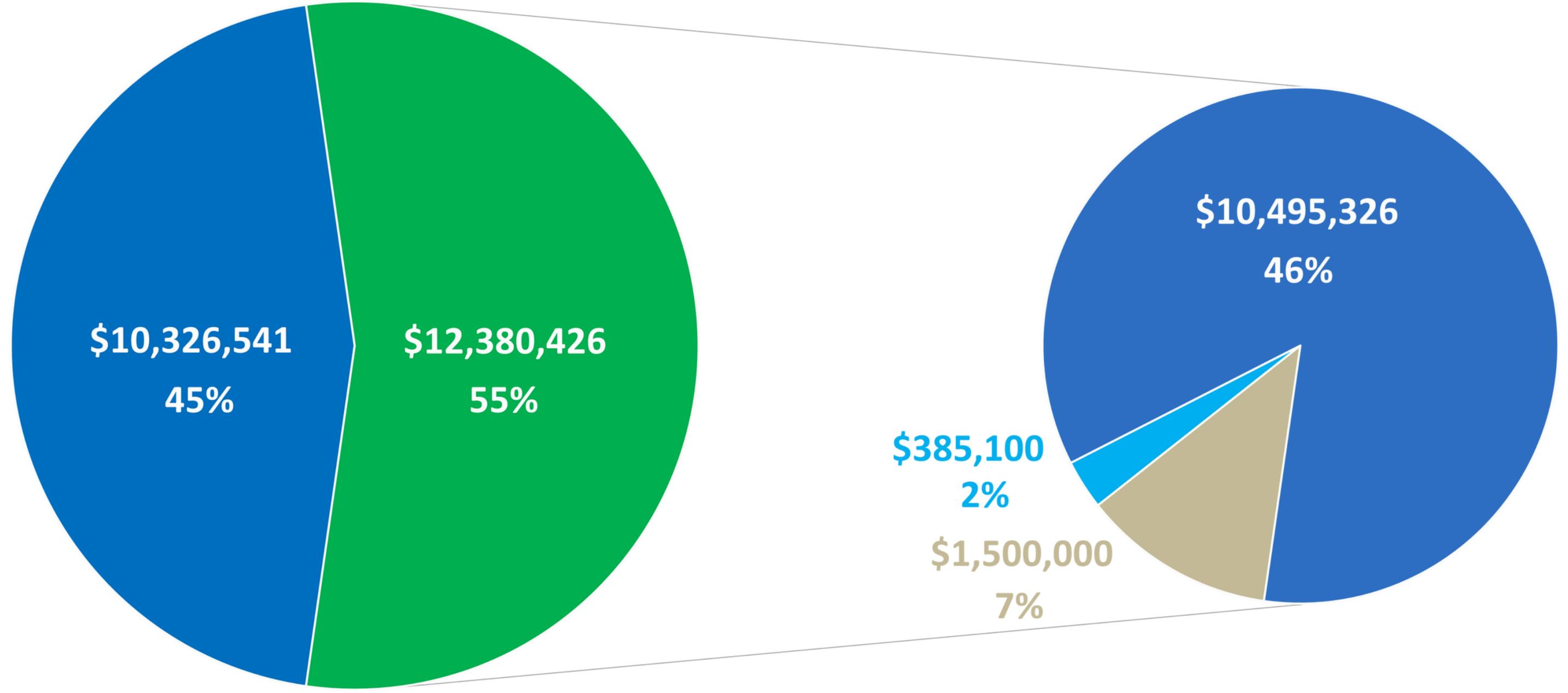
IOWA DOMICILED INSURANCE COMPANY ASSETS OVERVIEW 2017-2023



SHIIP AND SMP

- ▶ Senior Health Insurance Information Program (SHIIP) and Senior Medicare Patrol (SMP) fraud prevention program funded by both federal funding and the Iowa Insurance Division.
- ▶ IID team and volunteers provide counseling, assistance and education to Medicare beneficiaries, their families and caregivers to help navigate the complexities of Medicare and related health insurances, and address Medicare fraud.
 - Services provided through 120 SHIIP-SMP sites across the state.
 - Services provided by 395 volunteer counselors and 330 volunteers who assisted with schedule and administrative tasks.
 - Over 49,000 Iowans assisted during FY 2024

IID FY 2026 TOTAL RESOURCES



■ Appr Request ■ SHIP/Fed ■ Misc Fees ■ Reimbursements



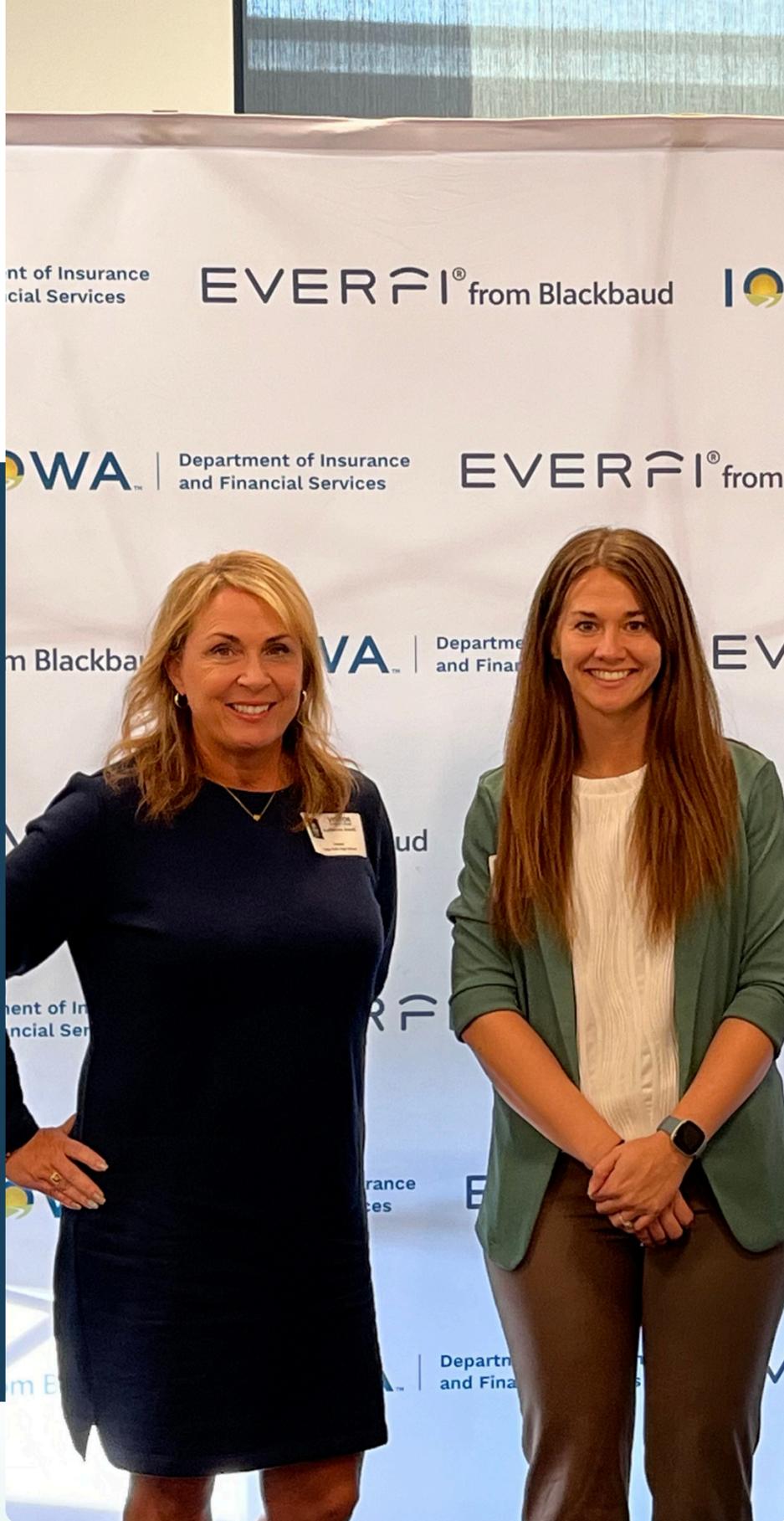
DISASTER RECOVERY EFFORTS

- ▶ In 2024, IID deployed significant staff resources to the communities of Greenfield, Minden, Cambridge, and White Oak following tornados.
 - Assist in getting the claims process started early for consumers.
 - Clamp down on out-of-state storm chasers and unlicensed public adjusters.
- ▶ We will continue to promote mitigation efforts to help Iowans protect their property.
- ▶ Increased flood insurance education and awareness.

FRAUD AND SENIOR FINANCIAL EXPLOITATION



- ▶ Insurance, banking and credit unions have been confronting fraud and senior exploitation.
- ▶ Department priority – leverage resources to stop fraud and financial exploitation of Iowans.
- ▶ Continue to meet with industry leaders to better coordinate efforts in these areas.
- ▶ Cooling off delays work for securities professionals assisting Iowans, but federal requirements on immediate execution of transactions do limit some financial institutions.
- ▶ More to come.



FINANCIAL LITERACY PROGRAMS

PROGRAMS FOR STUDENTS

PROGRAMS FOR ADULTS & BUSINESS

EVERFI

Iowa Fraud Fighters

University of Northern Iowa

Lucha Antifraude De Iowa

Iowa Jump Start

SmartHER Money

The National Theatre for Children

Save 4 Later

Funding the Future

Care 4 Kids

Junior Achievement



Department of Insurance and Financial Services

FINANCIAL LITERACY PROGRAMS FOR STUDENTS

- ▶ **Junior Achievement** - 574 elementary students have completed in-classroom curriculum in the 2024-2025 school year
- ▶ **EVERFI** - During the 2023-2024, DIFS educational resources reached 15,374 Iowa high school students at 228 schools.
- ▶ **National Theatre for Children** - Spend It or Save It was presented to students and teachers in 100 schools across Iowa in 2023-2024.
- ▶ **Funding the Future** - In fall 2024, performed in 9 middle/high schools, reaching 2,590 students.
- ▶ **University of Northern Iowa** - In the 2023-2024 school year, 898 students passed the UNI's Financial Skills for Smart Living exam. Three college credit hours are awarded for a passed exam.



FINANCIAL LITERACY PROGRAMS FOR ADULTS

- ▶ **Iowa Fraud Fighters** – Educated 2,273 Iowans on investment fraud and other common scams.
- ▶ **Lucha Antifraude De Iowa** - The Spanish version of the Iowa Fraud Fighters program saw 3042 new website users.
- ▶ **SmartHER Money** – Reached 589,921 people via social media and educated 1,817 women at in-person events.
- ▶ **Save 4 Later** - Financial Literacy Director educated 1,089 Iowans.
- ▶ **Care 4 Kids** – 600 childcare providers at in-person events.

