Statistics Reveal Widespread Increases in State Insurance Industry Activity

Year-end numbers reflect Idaho’s fast-paced population growth.

Idaho’s ranking as one of our nation’s two fastest growing states, along with Nevada, is positively impacting our state insurance industry.

This past year, the Department of Insurance experienced an upswing in multiple areas of oversight as insurance entities continued to expand their efforts statewide. As of December 2018, the DOI Company Activities Bureau handled a 22 percent increase in the number of producer applications received over the previous year, and now regulates more than 122,000 active licenses in Idaho. That’s roughly 10,000 more licenses than what the Department managed in 2017.

“Overall, the Department has adapted well to the state’s continuous growth spurt,” said Director Dean Cameron. “Growth brings challenges at the state level, but we will continue to serve Idahoans in the most effective, equitable and efficient ways.”

Other figures on the rise include: a total of 19 Idaho domiciled companies; roughly 2,200 insurance entities regulated; 5,000 form and rates submissions from over 750 insurance companies; and, more than $8 billion in premiums written statewide.

Plus, the DOI Consumer Affairs Bureau investigated and resolved nearly 900 complaints on behalf of consumers, while helping Idahoans recover more than $890,000 that rightfully belonged to them.

To maintain its state accreditation standards, the DOI successfully completed its Interim Annual Review this past year with the National Association of Insurance Commissioners (NAIC), with no negative comments or other suggestions for improvement as outlined by the NAIC findings.

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Fire Sprinkler Systems Prove Effective Saving Lives and Property

According to State Fire Marshal Knute Sandahl, properly installed fire sprinklers, and not just smoke alarms, save lives and limit property damage. Sandahl cited a recent fire in February that happened in the dorms at Idaho State University. Sprinklers, he said, were the main difference helping students who reside there evacuate safely.

“The sprinklers successfully extinguished what could have been a serious fire caused by a candle,” he said. “Without sprinklers, the blaze could have been deadly to many of these college students.”

Sandahl said that when it comes to most fires involving a “large loss of life,” he attributes a “lack of sprinklers” as the most notable factor in people becoming fire casualty statistics. Paired with smoke alarms, he says sprinklers are the other single most important safety device for saving lives and preserving property. In the past three months, four Idahoans have perished in fires. Only one victim, Sandahl noted, had a working smoke alarm.

“Sprinklers and alarms work. The costs associated with installing them are far less than rebuilding a structure, and more importantly, losing a loved one,” he said. “And smoke alarms are a must. Every bedroom, hallway, every floor.”

QUESTION: What is accreditation and why is the process important to the Idaho state insurance industry?

Accreditation is a process that helps promote and maintain our state-based regulation of the insurance industry. More specifically, it establishes standards to promote sound insurance company financial solvency regulation.

In 1990, the National Association of Insurance Commissioners (NAIC) adopted a formal certification program that requires states to undergo a review every five years to remain accredited. Certification is given to a state insurance department once it has demonstrated it has met and continues to meet legal, financial, organizational and licensing standards.

Ultimately, the accreditation program ensures adequate solvency laws and regulations in each accredited state to help protect consumers and guarantee funds. Thus, once a state insurance department receives accreditation, companies that are domiciled in that state, including 19 companies here in Idaho, are no longer subject to examinations by other states in which they conduct business. Additionally, the accreditation process helps save millions of dollars in duplicate examination costs.

The end result is that by maintaining state accreditation, insurance carriers based here in Idaho stay in Idaho. This helps support our state economy, maintain jobs and provide Idaho consumers with more choices and adequately priced products.

The DOI proudly sponsors and hosts a booth at the annual event, which helps to “empower women on the road to financial freedom and independence.”

Visit NAIC to learn more about the accreditation process.

Dean Cameron has served as Director of the Idaho Department of Insurance since 2015.