

Inside The D.O.I.



A monthly publication of the Idaho Department of Insurance providing an inside look at the state's insurance industry.

FEBRUARY 2019

Statistics Reveal Widespread Increases in State Insurance Industry Activity

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

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.

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

“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.



Dean L. Cameron
Director,
Idaho Department of
Insurance

In this issue >>>

Idaho Insurance Activity on the Rise

The Benefits of State-Based Regulation

Fire Sprinklers Help Save Lives

Ask the DOI:
What is the purpose of insurance department accreditation?

Why State-Based Insurance Regulation is a Good Thing in Idaho

Since the early stages of the insurance business, someone or some entity has been responsible for overseeing the management and collection of funds, and how claims were paid. Dating back about 150 years, this oversight has remained almost exclusively at the state level. During a recent visit with the Idaho Insurance Council, DOI Director Dean Cameron shared some thoughts on why state-based regulation plays an important role in protecting Idaho's consumers and businesses.

“The fundamental reason for government regulation is to protect the consumer,” said Cameron. “Consumers must have confidence that the company they



do business with will be there to pay claims.”

Unlike many industries, the insurance business has embraced reasonable regulation for that very reason. Powers to regulate at the state level were further strengthened in 1945 when Congress passed the McCarran-Ferguson Act, which stated: “No federal

law should be construed to invalidate, impair or supersede any law enacted by any state government for the purpose of regulating insurance.”

Cameron said such “powerful and clear language” reinforces the state’s authority to regulate Idaho insurers.

“A fundamental belief maintained in Idaho is that we can more effectively manage our own industries and resources at the state level, and that we are more capable of solving unique problems with Idaho solutions,” he said.

See more State-Based, page 2

Fire Sprinkler Systems Prove Effective Saving Lives and Property

Arson, carelessness, faulty equipment, bad wiring. Fires can start for a variety of reasons. Since 2014, Idaho has experienced an 82 percent increase in fire investigation requests statewide.

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



Properly installed fire sprinklers helped extinguish a recent fire caused by a candle in the dorms at Idaho State University.

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.”

Continued from page 1...

State-Based Insurance Regulation

That ideal, Cameron says, applies whether the topic is water, wolves or insurance. “We know with certainty that Idaho government is more functional, reasonable and responsive to the needs of our citizens.”

According to Cameron, state-based regulation must be both accessible and accountable to the public. Accountability, he said, ensures that promises made by insurance carriers are kept, and that the stability of our state insurance market remains intact. The end result is adequate access and competition, or “choices” for our citizens, especially in the area of affordable health care coverage.

“As regulators, we feel we are sensitive to the local, social and economic factors that impact all those who live and work in our great state,” said Cameron. “As history has clearly demonstrated, insurance regulation, like government, is both ‘more effective and responsive’ when it is closest to the people.”

This is why Idaho believes in and will continue to support state-based insurance regulation.

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



DOI Investigations Supervisor Kyle Cammack and Consumer Affairs staff member Kate Frank helped represent the Department of Insurance at the recent Smart Women Smart Money conference held at the Boise Centre.

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.”

Ask the DOI >>>

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.

[Visit NAIC to learn more about the accreditation process.](#)