



Department of Insurance and Financial Services

FY 2025 Strategic Plan

Agency 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.

Vision Statement:

Provide common-sense regulation that protects Iowans.

Governor's priorities for 2024:

1. Elevating Education for Every Student
2. Preparing the Next-Gen Workforce
3. Cutting Taxes
4. Supporting Health and Well-Being
5. Holding Government Accountable
6. Protecting Iowa's Farmland

DIFS Goal 1:

Ensure solvency, safety and soundness of regulated entities.

Associated Governor's Goal(s): Holding Government Accountable

KPI #1 for Goal 1: Meet the statutory requirement of examining 100% of domiciled insurers within a 60-month period.

KPI #2 for Goal 1: Meet the statutory requirement of 100% of state-chartered banks receiving an examination within a 24-month period.

KPI #3 for Goal 1 - Meet the statutory requirement of examining 100% of state-chartered credit unions within a 24-month period.

Assessment for Goal 1: Targets continue to be completed each year; however, staff hiring/retention issues exist in the efforts to have examiners to do these examinations.

Action Step for Goal 1: Work with DAS to update salary structures for these highly complex examination positions which has been an anchor on retention of these staff, especially for the Iowa Insurance Division. Increase staff and/or expertise of staff to reduce the need for contractors to complete the examinations.

DIFS Goal 2:

Educate and protect Iowans through investor education and financial literacy programs.

Associated Governor's Goal(s): Elevating Education for Every Student; Preparing the Next-Gen Workforce; Supporting Health and Well-Being

KPI #1 for Goal 2: Increase reach above to Iowa middle school and high school students regarding investor education and financial literacy through the work of various programs run by or in which DIFS provides funding to. Goal reach should exceed 10,000 middle school students and 15,000 high school students.

KPI #2 for Goal 2: Increase reach to Iowans regarding investor education and financial literacy through the work of various programs run by or in which DIFS provides funding to. Goal reach for adult Iowans should exceed 15,000 adult Iowans.

KPI #3 for Goal 2: Conduct outreach regarding investor education or financial literacy with industries regulated by DIFS to further expand the reach under KPI #1 and KPI #2.

Assessment for Goal 2: The financial literacy programs that DIFS runs are strong, but we are still determining how to fully integrate the needs of all DIFS areas into the DIFS programs. Programs need continual review to best utilize the funds allocated for investor education and financial literacy.

Action Step 1 for Goal 2: Complete a comprehensive review of the current programs to determine current effectiveness and develop plans to increase KPIs under this goal.

Action Step 2 for Goal 2: Continue meeting with regulated industries to determine if and how to lessen the number of senior financial exploitation victims in the state of Iowa. Ideas from industry to date may require more DIFS staff to handle the calls from those being scammed.

Action Step 3 for Goal 2: Submit legislation to amend 502.601(5) remove the \$500,000 cap on retention of funds that are unencumbered or unobligated to help improve long term planning for these programs.

5. The securities investor education and financial literacy training fund. A securities investor education and financial literacy training fund is created in the state treasury under the control of the administrator to provide moneys for the purposes specified in subsection 4. All moneys received by the state by reason of civil penalties pursuant to this chapter and the moneys appropriated to the fund pursuant to section 502.410, subsection 2, shall be deposited in the securities investor education and financial literacy training fund. Notwithstanding section 12C.7, interest or earnings on moneys deposited into the fund shall be credited to the fund. Notwithstanding section 8.33, unencumbered or unobligated moneys remaining in the fund shall not revert but shall be available for expenditure for the following in future fiscal years. ~~However, if, on June 30, unencumbered or unobligated moneys remaining in the fund exceed five hundred thousand dollars, moneys in excess of that amount shall revert to the general fund of the state in the same manner as provided in section 8.33.~~

DIFS Goal 3:

Strengthen the enforcement of Iowa and federal laws and regulations under the authority of DIFS to protect Iowans.

Associated Governor's Goal(s): Supporting Health and Well-Being

KPI #1 for Goal 3: Process 90% of consumer complaints to DIFS within 80 days.

KPI #2 for Goal 4: Review 100% of fraud referrals sent to the IID's Fraud Bureau and assign proper classification within 10 days to provide efficient services to stakeholders and enhance deterrence of criminal activity.

Assessment for Goal 3: Insurance related complaints make up the vast majority of complaints received by DIFS. It is vital for Iowans that these questions/issues raised with insurers be handled quickly and correctly. This is a major area of interaction with both state and federal legislators as DIFS showcases our ability to assist consumers either by fixing the issue or explaining why the issue is handled the way that it was handled.

Severe weather events, including the derechos, in years past showed that complaint volume can stretch current IID complaint investigative staff to the limit. PBM complaints by pharmacies (IID received roughly 70,000 in a year) are a major concern at the Capitol. Payments below acquisition cost are nearly all of the complaints IID receives from pharmacies. IID also receives a lot of complaints regarding Service Contract companies and the current statute is not written very well.

On top of consumer complaints, over 1,000 fraud referrals each year come into the IID's eight-person Fraud Bureau. However, this challenge of a large number of cases has presented an opportunity for the Bureau to create efficiencies by implementing a Diversion program. These efficiencies allow us to provide deterrence to a larger number of referrals and provide improved services to stakeholders. In the coming year we expect to see additional challenges in the increasing number of referrals and the complexity of the fraud investigations.

Action Step 1 for Goal 3: Assess additional staff needs. PBM area is of high priority, but other needs are apparent.

Action Step 2 for Goal 3: Develop bill for next legislative session regarding Service Contract company regulation.

Action Step 3 for Goal 3: Analyze data of the usage of the Diversion program to see if this new program is working as expected with a goal of 75% compliance rate of those individuals that we are able to locate.

DIFS Goal 4:

Support innovation to improve the ecosystems of insurance and financial services for the betterment of the industries and consumers.

Associated Governor's Goal(s): Preparing the Next-Gen Workforce, Elevating Education for Every Student

KPI #1 for Goal 4: DIFS senior staff to meet at least once annually with the cohorts of the Global Insurance Accelerator and BrokerTech Ventures to assist in any regulatory roadblocks for the startups.

KPI #2 for Goal 4: Hold stable or increase the number of attendees at events such as the Global Insurance Symposium and Governor's CEO dinner, Day with the Superintendent (banking), and Credit Union Superintendent's Day.

KPI #3 for Goal 4: Increase the number of early-stage interns participating in the Insure Your Future program by 5% each year which promote educational and workforce opportunities for students focusing on insurance and financial services careers. Continue to assist with holding at a minimum 4 leadership events for the participating students and continue to request for Governor participation in at least one of the events.

KPI #4 for Goal 4: Utilize Iowa's regulatory voice at national and international levels to ensure policies for regulators, regulated entities and consumers fit the needs of Iowa and Iowans.

Assessment for Goal 4: Iowa colleges and university programs are growing interest in insurance and financial service degrees and DIFS is working to nurture that interest so the colleges and universities can produce the workforce needed for DIFS regulated industries - these efforts need to continue and grow.

DIFS is and needs to continue assisting and supporting insurance and financial services related startups, Iowa's overall startup community, and our regulated industries so they can continue to provide excellent job opportunities for Iowans and great service and products to Iowans.

Action Step for Goal 4: Maintain leadership positions with the NAIC, NASAA, NASCUS, NCUA, CSBS and Global Insurance Symposium Board.