

Rule Summary and Fiscal Analysis

Part A - General Questions

Rule Number: 3901-4-02

Rule Type: Amendment

Rule Title/Tagline: Long-term care partnership program.

Agency Name: Department of Insurance

Division:

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I. Rule Summary

1. **Is this a five year rule review?** Yes
 - A. **What is the rule's five year review date?** 8/30/2018
2. **Is this rule the result of recent legislation?** No
3. **What statute is this rule being promulgated under?** 119.03
4. **What statute(s) grant rule writing authority?** 3901.041, 3923.44, 3923.47
5. **What statute(s) does the rule implement or amplify?** 3923.41 to 3923.49
6. **What are the reasons for proposing the rule?**

This rule is being reviewed as part of the agency five year rule review.

7. **Summarize the rule's content, and if this is an amended rule, also summarize the rule's changes.**

The purpose of this rule is to implement a state long-term care partnership program in Ohio. The rule sets the requirements on how to obtain a "partnership qualified" long-term care policy, and the requirements on how to exchange such a policy.

The rule is amended by adding paragraph (G) modifications to inflation protection to allow a modification or elimination of inflation protection after the date of purchase

as specified by divisions (O)(1) to (O)(3) of section 3923.44 of the Revised Code and provide that such modification or elimination does not affect the partnership qualified status of a policy qualified under the partnership program. In addition, an incorrect citation was changed in paragraph (A), from 5111.18 to 5164.86.

8. Does the rule incorporate material by reference? No
9. If the rule incorporates material by reference and the agency claims the material is exempt pursuant to R.C. 121.71 to 121.76, please explain the basis for the exemption and how an individual can find the referenced material.

Not Applicable

10. If revising or re-filing the rule, please indicate the changes made in the revised or re-filed version of the rule.

Not Applicable

II. Fiscal Analysis

11. As a result of this proposed rule, please estimate the increase / decrease in revenues or expenditures affecting this agency, or the state generally, in the current biennium or future years. If the proposed rule is likely to have a different fiscal effect in future years, please describe the expected difference and operation.

This will have no impact on revenues or expenditures.

0.00

Not applicable.

12. What are the estimated costs of compliance for all persons and/or organizations directly affected by the rule?

The cost to file long term care insurance policy forms, fifty dollars per filing in accordance with section 3923.02 of the Revised Code. This is a business choice of the insurer to participate in the partnership program, as it is not required.

13. Does the rule increase local government costs? (If yes, you must complete an RSFA Part B). No
14. Does the rule regulate environmental protection? (If yes, you must complete an RSFA Part C). No

III. Common Sense Initiative (CSI) Questions

15. Was this rule filed with the Common Sense Initiative Office? Yes

16. Does this rule have an adverse impact on business? Yes

A. Does this rule require a license, permit, or any other prior authorization to engage in or operate a line of business? Yes

In order to offer long-term care insurance policies that are "partnership qualified" an insurer must file those forms for approval with the department before they can be offered as such.

B. Does this rule impose a criminal penalty, a civil penalty, or another sanction, or create a cause of action, for failure to comply with its terms? No

C. Does this rule require specific expenditures or the report of information as a condition of compliance? Yes

Paragraph (I) of the rule states that each insurer offering partnership program policies in this state shall make regular reports to the Health and Human Services Secretary.