

## Rule Summary and Fiscal Analysis

### Part A - General Questions

**Rule Number:** 3901-6-02

**Rule Type:** No Change

**Rule Title/Tagline:** Correlated sales of life insurance and mutual funds or other securities.

**Agency Name:** Department of Insurance

**Division:**

**Address:** 50 W Town Street Suite 300 Columbus OH 43215

**Contact:** Tina Chubb

**Email:** Tina.Chubb@insurance.ohio.gov **Phone:** (614) 728-1044

#### 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 and 08/30/2023
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
5. **What statute(s) does the rule implement or amplify?** 3999.11, 3999.08, 3915.14, 3911.24, 3911.23, 3911.22, 3911.20, 3909.07, 3905.20, 3905.02, 3901.99, 3901.21
6. **What are the reasons for proposing the rule?**

This rule is being reviewed as a 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 establish minimum standards for the form of proposals and statements used to solicit, service, or collect premiums for life insurance which is sold in correlation with a mutual fund or other security.

There are no changes recommended for the filing of this rule.

- 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?

Not applicable.

- 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**

This rule requires a dual license. A person must be licensed and appointed as a life insurance agent in accordance with the provisions of sections 3905.02 and 3905.20 of the Revised Code. They must also be licensed to sell securities by the Ohio Department of Commerce in accordance with Chapter 1707. of the Revised Code.

- 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? Yes**

A violation of this rule shall subject companies or persons to a fine, revocation or suspension of their license to do business; a denial of the renewal of their license to do business; to proceedings under section 3999.08 of the Revised Code relating to misrepresentations; and to proceedings under Chapter 3901. of the Revised Code relating to unfair methods of competition and unfair and deceptive acts and practices.

- C. Does this rule require specific expenditures or the report of information as a condition of compliance? No**