

Rule Summary and Fiscal Analysis (Part A)**Department Of Insurance**

Agency Name

Division

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3901-6-02

Rule Number

AMENDMENT

TYPE of rule filing

Rule Title/Tag Line

Correlated sales of life insurance and mutual funds or other securities.**RULE SUMMARY**

1. Is the rule being filed consistent with the requirements of the RC 119.032 review? **Yes**

2. Are you proposing this rule as a result of recent legislation? **Yes**

Bill Number: **SB129**General Assembly: **124**Sponsor: **Nein**

3. Statute prescribing the procedure in accordance with the agency is required to adopt the rule: **119.03**

4. Statute(s) authorizing agency to adopt the rule: **3901.041**

5. Statute(s) the rule, as filed, amplifies or implements: **3901.21, 3901.99, 3905.02, 3905.20, 3909.07, 3911.20, 3911.22, 3911.23, 3911.24, 3915.14, 3999.08, 3999.11**

6. State the reason(s) for proposing (i.e., why are you filing,) this rule:

Five year rule review under R.C. 119.032.

7. If the rule is an AMENDMENT, then summarize the changes and the content

of the proposed rule; If the rule type is RESCISSION, NEW or NO CHANGE, then summarize the content of the rule:

The rule establishes minimum standards for the form of proposal and statements used to solicit, service or collect premiums for life insurance which is sold in correlation with a mutual fund or other security; includes requirement of full disclosure of relevant facts, including the right to purchase one or the other product only; contents of a written proposal at time of solicitation or proposal; that billing or other statement for life insurance must be separate from other charges or values; that the company must keep an advertising file and also must file a certificate of compliance with the superintendent; that dual licensing from both Insurance and Commerce Departments is required if both life and securities are solicited. Changes include correction of obsolete statute references, 3905.18 to 3902.02 and 3905.20, and revision of 1.02 which eliminated a definition the rule had previously cited.

8. If the rule incorporates a text or other material by reference and the agency claims the incorporation by reference is exempt from compliance with sections 121.71 to 121.74 of the Revised Code because the text or other material is **generally available** to persons who reasonably can be expected to be affected by the rule, provide an explanation of how the text or other material is generally available to those persons:

This response left blank because filer specified online that the rule does not incorporate a text or other material by reference.

9. If the rule incorporates a text or other material by reference, and it was **infeasible** for the agency to file the text or other material electronically, provide an explanation of why filing the text or other material electronically was infeasible:

This response left blank because filer specified online that the rule does not incorporate a text or other material by reference.

10. If the rule is being **rescinded** and incorporates a text or other material by reference, and it was **infeasible** for the agency to file the text or other material, provide an explanation of why filing the text or other material was infeasible:

Not Applicable.

11. If **revising** or **refiling** this rule, identify changes made from the previously filed version of this rule; if none, please state so:

Not Applicable.

12. 119.032 Rule Review Date: **12/23/2003**

(If you answered NO to question No. 1, provide the scheduled review date. If you answered YES to No. 1, the review date for this rule is the filing date.)

NOTE: At time of final filing, two dates are required: the current review date plus a date not to exceed 5 years from the effective date for Amended rules or a date not to exceed 5 years from the review date for No Change rules.

FISCAL ANALYSIS

13. Estimate the total amount by which *this proposed rule* would **increase / decrease** either **revenues / expenditures** for the agency during the current biennium (in dollars): Explain the net impact of the proposed changes to the budget of your agency/department.

This will have no impact on revenues or expenditures.

N/A

N/A

14. Identify the appropriation (by line item etc.) that authorizes each expenditure necessitated by the proposed rule:

N/A

15. Provide a summary of the estimated cost of compliance with the rule to all directly affected persons. When appropriate, please include the source for your information/estimated costs, e.g. industry, CFR, internal/agency:

N/A

16. Does this rule have a fiscal effect on school districts, counties, townships, or municipal corporations? **No**

17. Does this rule deal with environmental protection or contain a component dealing with environmental protection as defined in R. C. 121.39? **No**