

## Rule Summary and Fiscal Analysis

### Part A - General Questions

**Rule Number:** 3901-6-11

**Rule Type:** Amendment

**Rule Title/Tagline:** Recognition of the 2001 CSO mortality table for use in determining minimum reserve liabilities and nonforfeiture benefits.

**Agency Name:** Department of Insurance

**Division:**

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

**Contact:** Tina Chubb **Phone:** (614) 728-1044

**Email:** Tina.Chubb@insurance.ohio.gov

#### **I. Rule Summary**

1. **Is this a five year rule review?** Yes
  - A. **What is the rule's five year review date?** 2/22/2021
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, 3903.72, 3915.071
5. **What statute(s) does the rule implement or amplify?** 3903.72, 3915.071
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 rule 3901-6-11, recognition of the 2001 CSO mortality table for use in determining minimum reserve liabilities and nonforfeiture benefits, is to recognize, permit and prescribe the use of the 2001

commissioners standard ordinary (CSO) mortality table in accordance with sections 3903.723 and 3915.071 of the Revised Code and rule 3901-6-10 of the Administrative Code (valuation of life insurance policies).

The proposed amendment to this rule will correct an inaccurate citation to rule 3901-3-11 which was rescinded in 2019. The requirements of 3901-3-11 were established in section 3903.726 of the Revised Code.

- 8. Does the rule incorporate material by reference? Yes**
- 9. If the rule incorporates material by reference and the agency claims the material is exempt pursuant to R.C. 121.75, please explain the basis for the exemption and how an individual can find the referenced material.**

The National Association of Insurance Commissioners (NAIC) is a nationally recognized and utilized source of insurance guidance and model regulation. Insurance companies and regulators alike have readily available access to documents produced by the NAIC. The table prescribed in this rule is found in "Proceedings of the NAIC (2nd Quarter 2002)".

- 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. Please estimate the increase / decrease in the agency's revenues or expenditures in the current biennium due to this rule.**

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?**

This rule recognizes the use of a mortality table that has been required since 2009. Life insurance companies have been operating under this rule and therefore, there are no additional or increased costs of compliance.

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**
15. **If the rule imposes a regulation fee, explain how the fee directly relates to your agency's cost in regulating the individual or business.**

Not applicable.

### **III. Common Sense Initiative (CSI) Questions**

16. **Was this rule filed with the Common Sense Initiative Office? Yes**
17. **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 applies only to licensed life insurance companies.
  - 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? No**
  - D. **Is it likely that the rule will directly reduce the revenue or increase the expenses of the lines of business of which it will apply or applies? No**

### **IV. Regulatory Restrictions (This section only applies to agencies indicated in R.C. 121.95 (A))**

**18. Are you adding a new or removing an existing regulatory restriction as defined in R.C. 121.95? No**

**A. How many new regulatory restrictions do you propose adding?**

Not Applicable

**B. How many existing regulatory restrictions do you propose removing?**

Not Applicable