

Rule Summary and Fiscal Analysis

Part A - General Questions

Rule Number: 3901-8-09

Rule Type: No Change

Rule Title/Tagline: Solicitation and sale of medicare supplemental accident and health policies.

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?** 1/5/2022 and 08/31/2026
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, 3901.21, 3923.332
5. **What statute(s) does the rule implement or amplify?** 3901.19 to 3901.26, 3923.332
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.**

Rule 3901-8-09 establishes safeguards medicare-eligible persons against misleading actions from companies or agents, by defining specific unfair or deceptive acts or practices in the sale of any type of medicare supplemental

sickness and accident health insurance policies
There are no suggested amendments to 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. 121.75, 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. **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?**

The rule establishes guidelines for insurers to follow regarding the solicitation and sale of medicare supplemental sickness accident and health insurance policies by defining prohibited business practices. These guidelines are part of everyday business practice and impose no cost of compliance to insurers.

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? No**

This rule applies to licensed agents and insurance companies offering medicare supplemental sickness accident and health insurance policies.

- 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**

This rule is promulgated to enumerate specific actions that are considered to be unfair and deceptive under sections 3901.19 to 3901.26 of the Revised Code and the penalties thereunder. Should an insurer violate the unfair and deceptive practices statute and requirements of the rule, the superintendent may issue a cease and desist order and impose other administrative penalties such as license revocation and/or order to payback payments received as a result of the violation.

- 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**