

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

Agency Name

Division

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3901-8-09

Rule Number

AMENDMENT

TYPE of rule filing

Rule Title/Tag Line

Solicitation and sale of medicare supplemental accident and health policies.**RULE SUMMARY**

1. Is the rule being filed consistent with the requirements of the RC 119.032 review? **No**

2. Are you proposing this rule as a result of recent legislation? **No**

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, 3901.21, 3923.332**

5. Statute(s) the rule, as filed, amplifies or implements: **3901.19 to 3901.26, 3923.332**

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

Language recently added concerning unsolicited contacts with Medicare-eligible persons needed to be narrowed to achieve the intended purpose without curtailing marketing by regular mail or contact within a business relationship.

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 protects seniors against unfair and deceptive practices in solicitation and sale of Medicare supplement accident and health policies. The rule requires disclosure and disclaimer of connection with the government, so as to avoid misleading consumers. Certain personal solicitation approaches are prohibited, including unsolicited contacts with Medicare-eligible persons. Language concerning unsolicited contacts is being narrowed to achieve protection of seniors without eliminating regular mail solicitation or prohibiting contact within a business relationship.

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. If applicable, indicate each specific paragraph of the rule that has been modified:

Not Applicable.

12. 119.032 Rule Review Date: **8/26/2016**

(If the rule is not exempt and 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: If the rule is not exempt at the 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.

0.00

Not Applicable.

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

Not Applicable.

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:

Unknown. Agents must leave a written disclosure with consumers contacted. Carriers already must file Medicare supplement advertising for approval before using it in Ohio.

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**

S.B. 2 (129th General Assembly) Questions

18. Has this rule been filed with the Common Sense Initiative Office pursuant to R.C. 121.82? **Yes**

19. Specific to this rule, answer the following:

A.) Does this rule require a license, permit, or any other prior authorization to engage in or operate a line of business? **No**

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**

Although not stated in this rule, the failure to comply is an unfair and deceptive practice, which can, after notice and opportunity for hearing, result in penalties under the Unfair and Deceptive Practices Act, Revised Code section 3901.19 et seq..

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

The rule requires written disclosures be left with consumers contacted, and a specific written disclaimer to be placed in marketing materials.