

## Rule Summary and Fiscal Analysis

### Part A - General Questions

**Rule Number:** 3901-9-02

**Rule Type:** Amendment

**Rule Title/Tagline:** Viatical settlement broker license and registration of insurance agents operating as a viatical settlement broker.

**Agency Name:** Department of Insurance

**Division:**

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#### 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?** 3916.05, 3916.20
5. **What statute(s) does the rule implement or amplify?** 3916.01, 3916.02, 3916.03, 3916.05, 3916.16, 3916.20
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 3901-9-02, viatical settlement broker license and registration of insurance agents operating as a viatical settlement broker, is to provide standards for applicants applying for initial licensure as a viatical settlement broker in this

state or a renewal of a previously issued license and to the registration of insurance agents operating as a viatical settlement broker. This rule also provides form filing requirements and fees for licenses, renewals, and form approvals.

The purpose for amending rule 3901-9-02 is to correct a citation within the 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 filing fee for an initial viatical settlement broker licensure application is two hundred dollars, an application for renewal is one hundred dollars.

The fee for an extension request of viatical settlement education (VSE) credit requirements is one hundred dollars.

The fee for a new form filing is fifty dollars per filing.

There are no amendments to this rule and therefore, no additional costs of compliance are proposed as a result of this rule review.

- 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.**

The fees established in this rule are collected towards administrative costs of issuing viatical settlement licenses, license renewals and continuing education credits.

### **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 applicants applying for licensure as a viatical settlement broker or those previously licensed who are applying for renewal.

- 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 is an unfair and deceptive trade practice under sections 3901.19 to 3901.26 of the Revised Code and a violation of Chapter 3916. of the Revised Code. In addition, a violation of section 3916.02 of the Revised Code is a third degree felony pursuant to section 3916.99 of the Revised Code.

- C. **Does this rule require specific expenditures or the report of information as a condition of compliance? Yes**

Any individual life insurance agent applying to operate in this state as a viatical settlement broker shall register annually with the superintendent of insurance as a registered life insurance agent on a form designated for that purpose by the superintendent.

- 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