

STATE OF OHIO
DEPARTMENT OF INSURANCE
50 West Town Street, 3rd Floor, Suite 300
Columbus, Ohio 43215

IN THE MATTER OF PUBLIC HEARING :
FOR THE AMENDMENT OF OHIO :
ADMINISTRATIVE CODE SECTIONS :
3901-1-08, 3901-1-24, 3901-1-54, 3901-5-12, : NOTICE OF
3901-7-04, 3901-7-02, AND 3901-8-09, : PUBLIC HEARING
AND THE RESCISSION OF OHIO :
ADMINISTRATIVE CODE SECTION 3901-1-10 :

Pursuant to section 119.03 of the Ohio Revised Code, the Superintendent of Insurance, State of Ohio, will hold a public hearing at 10:00 a.m., on Tuesday, September 20, 2016 at the Ohio Department of Insurance, Public Hearing Room, 50 West Town Street, 3rd Floor, Suite 300, Columbus, Ohio, to consider the amendment of Ohio Administrative Code sections 3901-1-08 Unfair and deceptive military sales practices; 3901-1-24 Public insurance adjusters; 3901-1-54 Unfair property/casualty claims settlement practices; 3901-5-12 Misconduct by insurance license applicants and licensees; 3901-7-04 Title insurance controlled business arrangements; 3901-8-03 Standardized health claim form rule; and 3901-8-09 Solicitation and sale of medicare supplemental accident and health policies. Also, to consider the rescission of Ohio Administrative Code section 3901-1-10 Appointment of insurance agents.

The purpose of rule 3901-1-08 is to further define unfair trade practices to include dishonest and predatory practices involving the sale of certain life insurance products to active duty members of the United States armed forces and their families and to set acceptable standards for such sales.

The reason for amending rule 3901-1-08 is the five year rule review under section 119.03 of the Revised Code. The rule is being amended to correct a rule reference citation and technical changes to standardize language and formatting.

The purpose of rule 3901-1-24 is to safeguard the interest of the public by regulating the conduct of public insurance adjusters.

The reason for amending rule 3901-1-24 is the five year rule review under section 119.03 of the Revised Code. Technical amendment in paragraph (F) corrects a statutory reference. Other technical amendments are to standardize rule format.

The purpose of rule 3901-1-54 is to set forth uniform minimum standards for the investigation and disposition of property and casualty claims arising under insurance contracts or certificates issued to residents of Ohio.

The reason for amending rule 3901-1-54 is the five year rule review under section 119.03 of the Revised Code. The proposed amendments to rule 3901-1-54 make necessary formatting changes, correct an incorrect citation in paragraph (C)(9), eliminate definitions which do not appear in the body of the rule, correct paragraph (F)(2) to reflect "fifteen day" language throughout the paragraph, and make grammatical changes throughout.

The purpose of rule 3901-5-12 is to implement statutes setting forth standards of conduct and responsibility applicable to insurance license applicants, licensees, and/or companies licensed or authorized to transact the business of insurance by the superintendent of insurance.

The reason for amending rule 3901-5-12 is the five year rule review under section 119.03 of the Revised Code. Various amendments are proposed; elimination of the word "sub-agent" throughout the rule, paragraph (D)(1)(b) provides more clarity on the scope of confidentiality, paragraph (D)(2)(a) is amended to conform to language in ORC. Paragraph (D)(2)(a) "and" was intended to be "or", paragraph (D)(2)(b) is modernized.

The purpose of rule 3901-7-04 is to establish ownership and licensing standards for title insurance agents and agencies in accordance with division (B) of section 3953.21 of the Revised Code, which prohibits certain persons from acting as agents for a title insurance company.

The reason for amending rule 3901-7-04 is the five year rule review under section 119.03 of the Revised Code. Amends by striking paragraph (H), which states that the application of paragraph (D), which does not allow a business entity title insurance agent (agency) from being controlled by a prohibited person pursuant to division (B) of section 3953.21 of the Revised Code, only applies to business entity agents license after the original effective date of the rule. The 2010 amendments to section 3905.06 of the Revised Code requiring renewal of an Ohio insurance agent license changed the license from one held in perpetuity to one for a specified term of two years, with each renewal being considered a new license. Rule 3901-7-04 of the Administrative Code was enacted prior to the license renewal requirement. Now that each renewal license is considered a new license, paragraph (H) is meaningless.

The purpose of rule 3901-8-03 is to standardize the forms used in the billing and reimbursement of health care, reduce the number of forms utilized, increase efficiency in the reimbursement of health care through standardization and encourage the use of electronic data interchange of health care expenses and reimbursement.

The reason for amending rule 3901-8-03 is the five year rule review under section 119.03 of the Revised Code. Various technical amendments throughout the rule were made to address grammar, formatting, and citation references. Additionally, the rule is updated to reflect the transition from ICD-9 to ICD-10, this reflects current industry standards as mandated by the Center for Medicaid and Medicare Services (CMS), as well as reference in ORC. The existing rule already allows for the shift to ICD-10, proposed amendments simply replace ICD-9 references with ICD-10.

The purpose of rule 3901-8-09 is to safeguard the interests of medicare-eligible persons in the solicitation and sale of any type of medicare supplemental sickness and accident health insurance policy by providing for the regulation of the solicitation and sale of medicare supplemental accident and health insurance policies; and to assure that medicare-eligible persons are not subjected to unfair or deceptive acts or practices in the solicitation and sale of medicare supplemental accident and health insurance policies by defining additional unfair or deceptive acts or practices in this rule.

The reason for amending rule 3901-8-09 is the five year rule review under section 119.03 of the Revised Code. Amendments to the rule include extending protection against marketing through unsolicited contacts to forms of electronic communication, various technical changes and removing the term broker, as it is not consistent with terms used in section 3901 of the Revised Code.

The purpose of rule 3901-1-10 clarifies certain administrative policies and procedures pertaining to agent appointment processes.

The reason for rescinding rule 3901-1-10 is the five year rule review under section 119.03 of the Revised Code. The agency is proposing a rescission of the rule because the regulatory benefit of the rule does not outweigh potential costs to the industry, and there are no necessary changes to department practices or oversight resulting in the rule's rescission.

Requests for copies of the rule should be addressed to Tina Chubb, Ohio Department of Insurance, 50 West Town Street, 3rd Floor, Suite 300 Columbus, Ohio 43215, or the proposed rule can be viewed online at www.insurance.ohio.gov.

Darcy Moulin, Staff Attorney
3901-1-10, 3901-5-12, 3901-7-04

Jim Burkart, Staff Attorney
3901-1-24

Mark Iannotta, Staff Attorney
3901-1-08

Sean Sheridan, Staff Attorney
3901-8-03, 3901-8-09

Whitney Fitch, Staff Attorney
3901-1-54