



Common Sense Initiative

Mike DeWine, Governor
Jon Husted, Lt. Governor

Carrie Kuruc, Director

MEMORANDUM

TO: Loretta Medved, Ohio Department of Insurance

FROM: Ethan Wittkorn, Regulatory Policy Advocate

DATE: February 19, 2021

RE: OAC 3901-6-11 from CSI Review – Life and Health Rules (OAC 3901-3-10, 3901-3-17, 3901-6-11, and 3901-6-12)

CSI issued a memorandum on the abovementioned rules on February 2, 2021 (attached). In that memorandum, CSI addressed OAC 3901-6-11 as it was submitted for our review, a proposed no change rule. However, on February 18, 2021, the Department of Insurance notified the Director of CSI that a technical update is necessary in OAC 3901-6-11 to remove a reference to another rule that no longer exists. The technical change does not affect CSI's adverse impact analysis.

The Department has agreed to notify stakeholders of its intent to proceed with this rule as an amended rule instead of a no change rule prior to filing with JCARR.

77 SOUTH HIGH STREET | 30TH FLOOR | COLUMBUS, OHIO 43215-6117

CSIPublicComments@governor.ohio.gov



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MEMORANDUM

TO: Loretta Medved, Ohio Department of Insurance

FROM: Ethan Wittkorn, Regulatory Policy Advocate

DATE: February 2, 2021

RE: CSI Review – Life and Health Rules (OAC 3901-3-10, 3901-3-17, 3901-6-11, and 3901-6-12)

On behalf of Lt. Governor Jon Husted, and pursuant to the authority granted to the Common Sense Initiative (CSI) Office under Ohio Revised Code (ORC) section 107.54, the CSI Office has reviewed the abovementioned administrative rule package and associated Business Impact Analysis (BIA). This memo represents the CSI Office's comments to the Agency as provided for in ORC 107.54.

Analysis

This Ohio Department of Insurance (Department) rule package consists of four no change rules. The rule was submitted to the CSI Office on December 23, 2020, and the public comment period was open through January 8, 2021. Unless otherwise noted below, this recommendation reflects the version of the proposed rule filed with the CSI Office on December 23, 2020.

The rules proposed in this package cover minimum required reserves for health insurance companies, the use of mortality tables in life insurance, and licensing of managing general agents. No amendments have been proposed to the rules.

During the early stakeholder outreach period, the Department sent a request for comments to stakeholders including the Ohio Insurance Institute (OII), the Association of Ohio Life Insurance Companies (AOLIC), the American Council of Life Insurance (ACLI), the National Association of

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Insurance and Financial Advisors (NAIFA), Ohio Association of Health Plans (OAHP) and the Professional Independent Agents Association (PIAA), and other stakeholders that have requested notification. The rules were also posted to the Department's website. No comments were submitted during the early stakeholder outreach period or the CSI public comment period.

Communities impacted by the rules include those seeking licensure as a Managing General Agent (MGA). Potential adverse impacts include application fees of \$20 for MGA applicants and following Department guidance on the use of mortality tables and other requirements. The proposed rules are necessary to ensure consumer protections and maintain accountability for insurers. Furthermore, the rules enforce national standards for insurers, ensuring consistency among the insurance industry.

Recommendations

Based on the information above, the CSI Office has no recommendations on this rule package.

Conclusion

The CSI Office concludes that the Department should proceed in filing the proposed rule with the Joint Committee on Agency Rule Review.