

## Rule Summary and Fiscal Analysis

### Part A - General Questions

**Rule Number:** 3901-1-18

**Rule Type:** Amendment

**Rule Title/Tagline:** Ohio fair plan - plan of operation.

**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? 8/31/2022
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, 3929.43
5. What statute(s) does the rule implement or amplify? 3935.03, 3935.04, 3937.02, 3937.03
6. Does the rule implement a federal law or rule in a manner that is more stringent or burdensome than the federal law or regulation requires? No
  - A. If so, what is the citation to the federal law or rule? Not Applicable
7. What are the reasons for proposing the rule?

This rule is being reviewed as a part of the agency five year rule review.
8. Summarize the rule's content, and if this is an amended rule, also summarize the rule's changes.

The Ohio fair plan underwriting association (OFP) is an entity created by statute which provides an option for Ohioans to purchase homeowners insurance for properties that are denied coverage through the regular market. Per statute the association submits a proposed plan of operation to the superintendent of insurance for approval, which the superintendent adopts by rule.

Recommended amendments include:

1. Paragraph (G)(9) remove the following language: "In no case will the association provide coverage unless the necessary corrections are to commence within thirty days following the date of the application." With ongoing labor and supply shortages, removing this timeline benefits Ohio consumers.
2. Paragraph (H)(2) remove the following language: "In no case will the association provide coverage unless the necessary repairs are to commence within thirty days following the date of the application." With ongoing labor and supply shortages, removing this timeline benefits Ohio consumers.
3. Paragraph (L) Fidelity bonds – modernizing this section, "fidelity coverage" is in use and more recognized than "fidelity bonds".
4. Paragraph (O)(6) – Currently states that any matter may be proposed and voted upon by mail. Proposing to bring in language from paragraph (O)(7) that will read; "regular mail, email or other electronic means" this amendment will modernize this rule.

9. **Does the rule incorporate material by reference? No**
10. **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*

11. **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**

12. **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.

**13. What are the estimated costs of compliance for all persons and/or organizations directly affected by the rule?**

This rule outlines the functions of the Ohio Fair Plan. Proposed amendments do not substantively alter the functions of the entity and will therefore not impact the Fair Plan's cost of business.

**14. Does the rule increase local government costs? (If yes, you must complete an RSFA Part B). No**

**15. Does the rule regulate environmental protection? (If yes, you must complete an RSFA Part C). No**

**16. 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**

**17. Was this rule filed with the Common Sense Initiative Office? Yes**

**18. 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**

**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? No**

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

Paragraph (U) "Filing of policies and other documents" and paragraph (V) "Annual and quarterly financial statements" outline materials to be reported to 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 Restriction Requirements under S.B. 9. Note: This section only applies to agencies described in R.C. 121.95(A).**

19. 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 to this rule?

Not Applicable

- B. How many existing regulatory restrictions do you propose removing from this rule?

Not Applicable

- C. If you are not removing existing regulatory restrictions from this rule, please list the rule number(s) from which you are removing restrictions.

Not Applicable

- D. Please justify the adoption of the new regulatory restriction(s).

Not Applicable