

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:

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I. Rule Summary

1. Is this a five year rule review? No
 - A. What is the rule's five year review date? 8/31/2027
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?

The Ohio fair plan underwriting association (OFP) requested necessary amendments to better serve the needs of their insureds.
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. All companies authorized to write basic property and homeowners' coverage in the state of Ohio are members of OFP. The insurers' members fund OFP losses (and profits) in direct proportion to their premium volume of business in the state. Per statute the association submits a proposed plan of operation to the superintendent of insurance for approval, which the superintendent adopts by rule. Proposed amendments will increase coverage limits to better serve insureds, reduce burdensome inspection requirements, remove regulatory restrictions, and remove gender specific language.

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?**

The rule impacts the OFP, high-risk homeowners seeking coverage through the OFP, insurers writing basic property/homeowners insurance in Ohio and Ohio insurance agents. The impacted insurers are required by statute to be members of OFP. Agents are required, upon request, to assist qualified homeowners in applying for coverage

through the program. The rule sets the processes and requirements in administering the program, as well as for applying for coverage through the program. Impacted carriers and their respective agents should familiarize themselves with the operation and requirements of participation in the OFP occasionally as a part of maintaining business requirements.

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**

The rule impacts the OFP, high-risk homeowners seeking coverage through the OFP, insurers writing basic property/homeowners insurance in Ohio and Ohio insurance agents. The impacted insurers are required by statute to be members of OFP.

- 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 (G) of this rule outlines inspection reporting requirements

- 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? Yes

A. How many new regulatory restrictions do you propose adding to this rule? 0

B. How many existing regulatory restrictions do you propose removing from this rule? 36

(C)(2) - shall

(D) - shall

(G)(1) - shall

(G)(1) - shall

(G)(1) - shall

(G)(2) - shall

(G)(3)(a) - shall

(G)(3)(a) - shall

(G)(5) - shall

(G)(8) - shall

(H)(2) - shall

(H)(4) - shall

(H)(9) - shall

(I)(2) - shall

(I)(5) - shall

(I)(6)(a) - shall

(I)(6)(b) - must

(I)(7)(a) - shall not

(I)(8) - shall

(I)(8) - shall

(I)(9) - shall

(I)(9) - shall

(M)(2) - shall

(M)(3) - shall

(O)(2) - shall

(O)(2) - Shall

(O)(3) - shall

(O)(5) - shall

(O)(5) - shall

(O)(5) - shall

(O)(6) - shall

(O)(7) - shall

(P)(1) - shall

(X) - shall

(Z) - Shall not

(Z) - shall

- C. If you are not removing existing regulatory restrictions from this rule, please list the rule number(s) from which you are removing restrictions.**
- D. Please justify the adoption of the new regulatory restriction(s).**

Not Applicable