

## Rule Summary and Fiscal Analysis

### Part A - General Questions

**Rule Number:** 3901-1-24

**Rule Type:** Amendment

**Rule Title/Tagline:** Public insurance adjusters.

**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? 11/30/2021
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? 3901.041
5. What statute(s) does the rule implement or amplify? Chapter 3951.
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 this rule is to regulate the conduct of public insurance adjusters; the rule also provides authority for the removal of licensure due to violation.

Recommended amendments remove gender specific language.

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 rule's scope focuses on standards of conduct and does not impose a direct cost or adverse impact for compliance. Statute requires individuals become licensed before acting as a public insurance adjuster, which includes a \$100 initial application fee and a \$50 annual renewal fee.

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.

Not applicable.

## **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? No**

The rule clarifies activities that constitute acting as a public insurance adjuster, for which a license is required.

**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**

Per authority granted to the Superintendent in statute: violation of the statute regarding public insurance adjusters, and the prohibited activities in this rule, could result in suspension or revocation of license.

**C. Does this rule require specific expenditures or the report of information as a condition of compliance? No**

Paragraph (D) requires that every public insurance adjuster shall keep a full record of transaction as an adjuster for the previous three years and such records shall be open at all times to the inspection of the superintendent of insurance.

**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