

Rule Summary and Fiscal Analysis (Part A)**Department of Insurance**

Agency Name

Division

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3901-1-54

Rule Number

AMENDMENT

TYPE of rule filing

Rule Title/Tag Line

Unfair property/casualty claims settlement practices.**RULE SUMMARY**

1. Is the rule being filed consistent with the requirements of the RC 119.032 review? **Yes**

2. Are you proposing this rule as a result of recent legislation? **No**

3. Statute prescribing the procedure in accordance with the agency is required to adopt the rule: **119.03**

4. Statute(s) authorizing agency to adopt the rule: **3901.041**

5. Statute(s) the rule, as filed, amplifies or implements: **3901.20, 3901.21**

6. State the reason(s) for proposing (i.e., why are you filing,) this rule:

To correlate the requirements for fair insurance claim handling procedures set forth in Rule 3901-1-54 with those set forth in Rule 3901-1-07 and to achieve consistency between the rules relating to the time frames for compliance of those requirements.

7. If the rule is an AMENDMENT, then summarize the changes and the content of the proposed rule; If the rule type is RESCISSION, NEW or NO CHANGE, then summarize the content of the rule:

The amendments modify various time frames for the evaluation of property and casualty insurance claims as well as the number of days within which the insurer must respond to communication from a claimant or the Department of insurance. Additionally, the amendment modifies the definition of Like, Kind and Quality part to include not only salvage parts but aftermarket parts as well; Requires written notice to claimants of the right to reimbursement of sales tax on auto claims resulting in total loss.

8. If the rule incorporates a text or other material by reference and the agency claims the incorporation by reference is exempt from compliance with sections 121.71 to 121.74 of the Revised Code because the text or other material is **generally available** to persons who reasonably can be expected to be affected by the rule, provide an explanation of how the text or other material is generally available to those persons:

This response left blank because filer specified online that the rule does not incorporate a text or other material by reference.

9. If the rule incorporates a text or other material by reference, and it was **infeasible** for the agency to file the text or other material electronically, provide an explanation of why filing the text or other material electronically was infeasible:

This response left blank because filer specified online that the rule does not incorporate a text or other material by reference.

10. If the rule is being **rescinded** and incorporates a text or other material by reference, and it was **infeasible** for the agency to file the text or other material, provide an explanation of why filing the text or other material was infeasible:

Not Applicable.

11. If **revising** or **refiling** this rule, identify changes made from the previously filed version of this rule; if none, please state so:

(C)(5) Definition of "Days" returned to calendar days.

(C)(11) Definition of "Like Kind and Quality" returned to prior version.

(C)(20) Definition of "non-original equipment manufacturer aftermarket crash part" deleted.

(H)(4) Notice requirement changed to clarify that the estimate must indicate, when non-OEM parts are used, the identity and location of the non-OEM manufacturer.

These changes were made to harmonize timelines between 3901-1-54 and 3901-1-07 and to clarify the intent of the Department to improve notice to the consumer when non-original equipment manufacturer after market crash parts are used to make repairs. The changes further harmonize the notice requirements between 3901-1-54 and section 1345.81 of the Revised Code. The changes were made following the public hearing based upon the testimony presented at the hearing and subsequent written comments submitted to the Department.

12. 119.032 Rule Review Date: **12/29/2006**

(If the rule is not exempt and you answered NO to question No. 1, provide the scheduled review date. If you answered YES to No. 1, the review date for this rule is the filing date.)

NOTE: If the rule is not exempt at the time of final filing, two dates are required: the current review date plus a date not to exceed 5 years from the effective date for Amended rules or a date not to exceed 5 years from the review date for No Change rules.

FISCAL ANALYSIS

13. Estimate the total amount by which *this proposed rule* would **increase / decrease** either **revenues / expenditures** for the agency during the current biennium (in dollars): Explain the net impact of the proposed changes to the budget of your agency/department.

This will have no impact on revenues or expenditures.

0.00

NA

14. Identify the appropriation (by line item etc.) that authorizes each expenditure necessitated by the proposed rule:

NA

15. Provide a summary of the estimated cost of compliance with the rule to all directly affected persons. When appropriate, please include the source for your information/estimated costs, e.g. industry, CFR, internal/agency:

NA

16. Does this rule have a fiscal effect on school districts, counties, townships, or municipal corporations? **No**

17. Does this rule deal with environmental protection or contain a component dealing with environmental protection as defined in R. C. 121.39? **No**