

Rule Summary and Fiscal Analysis

Part A - General Questions

Rule Number: 3901-2-01

Rule Type: Amendment

Rule Title/Tagline: Application of Chapter 3901-2 of the Administrative Code.

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? 8/29/2019
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? 3901.31
6. What are the reasons for proposing the rule?

This rule is being reviewed as 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 rule states the requirement that solicitation of proxies, consents, or authorization with respect to equity securities of domestic stock insurance companies must comply with this chapter unless in compliance with the Securities Exchange Act of 1934.

Recommended amendments correct a citation.

8. Does the rule incorporate material by reference? Yes
9. If the rule incorporates material by reference and the agency claims the material is exempt pursuant to R.C. 121.71 to 121.76, please explain the basis for the exemption and how an individual can find the referenced material.

This rule references the Securities Exchange Act of 1934, which is readily available online in addition to frequent use by the regulated entities.

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. As a result of this proposed rule, please estimate the increase / decrease in revenues or expenditures affecting this agency, or the state generally, in the current biennium or future years. If the proposed rule is likely to have a different fiscal effect in future years, please describe the expected difference and operation.

This will have no impact on revenues or expenditures.

0.00

No substantive amendments are proposed to the rule and therefore, will not change already existing department procedures.

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

Domestic stock insurers with at least fifty shareholders and not filing with the Securities and Exchange Commission must provide written information to shareholders. Cost is unknown but anticipated to be minimal.

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

III. Common Sense Initiative (CSI) Questions

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

16. 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**

The rule requires written information statement be filed with the department and provided to those entitled to vote, who did not get a proxy statement. The contents are described in rule 3901-2-15.