

## Rule Summary and Fiscal Analysis

### Part A - General Questions

**Rule Number:** 3901-3-03

**Rule Type:** Amendment

**Rule Title/Tagline:** Transactions subject to prior notice - notice filing.

**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?** 8/30/2025
2. **Is this rule the result of recent legislation?** Yes
  - A. **If so, what is the bill number, General Assembly and Sponsor?** SB 256 - 134  
- Sen. Wilson
3. **What statute is this rule being promulgated under?** 119.03
4. **What statute(s) grant rule writing authority?** 3901.041, 3901.341
5. **What statute(s) does the rule implement or amplify?** 3901.341
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 National Association of Insurance Commissioners ("NAIC") prepares certain Model Laws, Regulations, and Guidelines ("Models") for states (including Ohio) to adopt and implement. NAIC Model Law 440 and Model Regulation 450 contain provisions relative

to the regulation of insurance holding company systems. Ohio adopted Model Law 440 and Model Regulation 450 when it enacted the R.C. 3901.32 to 3901.37 and rules 3901-3-01 to 3901-3-03 of the Administrative Code, respectively.

The NAIC recently amended Model Law 440 and Model Regulation 450. Ohio recently implemented the amendments to Model Law 440 by enacting Senate Bill No. 256 (134th General Assembly), which modifies certain provisions in R.C. 3901.32 to 3901.37. The proposed amendments to rule 3901-3-03 seek to implement corresponding amendments to Model Regulation 450.

**8. Summarize the rule's content, and if this is an amended rule, also summarize the rule's changes.**

The purpose of rule 3901-3-03 is to establish the form and content an insurer must use in order to give notice of a proposed transaction under section 3901.341 of the Revised Code.

The amendments to rule 3901-3-03 include revising required provisions in certain company agreements related to the identification and maintenance of company information and data.

**9. Does the rule incorporate material by reference? Yes**

**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.**

The material incorporated into rule 3901-3-03 references sections of the Revised Code. Pursuant to R.C. 121.75(A)(1)(a), these incorporations by reference are not subject to R.C. 121.71 to 121.74.

The sections of the Revised Code referenced in rule 3901-3-03 are publicly available online at: <https://codes.ohio.gov>.

**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?**

Not applicable.

- 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? Yes**

Rule 3901-3-03 imposes filing requirements on certain insurance companies authorized to do business in the State of Ohio.

- 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**

Rule 3901-3-03 imposes filing requirements on certain insurance companies authorized to do business in the State of Ohio.

- 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