

STATE OF OHIO  
DEPARTMENT OF INSURANCE  
50 West Town Street, 3<sup>rd</sup> Floor, Suite 300  
Columbus, Ohio 43215

IN THE MATTER OF PUBLIC HEARING	:	
FOR THE AMENDMENT OF OHIO	:	
ADMINISTRATIVE CODE SECTIONS	:	
3901-1-01, 3901-1-64, 3901-2-13, 3901-2-15,	:	NOTICE OF
3901-3-18, 3901-5-01, 3901-5-03, 3901-5-06,	:	PUBLIC HEARING
3901-5-07, 3901-5-09, 3901-8-10, AND 3901-8-12 :	:	
AND THE RESCISSION OF OHIO	:	
ADMINISTRATIVE CODE SECTION 3901-5-08 :	:	

Pursuant to section 119.03 of the Ohio Revised Code, the Superintendent of Insurance, State of Ohio, will hold a public hearing at 1:30 p.m., on Friday, September 26, 2014 at the Ohio Department of Insurance, Public Hearing Room, 50 West Town Street, 3<sup>rd</sup> Floor, Suite 300, Columbus, Ohio, to consider the amendment of Ohio Administrative Code sections 3901-1-01 Public notice by publication; 3901-1-64 Medical liability data collection; 3901-2-13 Information to be contained in proxy statement; 3901-2-15 Information required in information statement; 3901-3-18 NAIC manuals; 3901-5-01 Agent continuing education; 3901-5-03 Continuing education course; 3901-5-06 Agent education fees; 3901-5-07 Regulation of agent pre-licensing education; 3901-5-09 Agent licensing and appointments; 3901-8-10 Notice of public hearing on rates for individual sickness and accident insurance; and 3901-8-12 Open enrollment. Also, to consider the rescission of Ohio Administrative Code section 3901-5-08 License renewal procedures.

The purpose of rule 3901-1-01 provides for the giving of proper notice by publication as required by the Administrative Procedures Act, Chapter 119. of the Revised Code; various sections of Title 39 of the Revised Code; and such other miscellaneous sections of the Revised Code concerned with promulgation to the public of such insurance matters as are of widespread public interest and which do not set forth with particularity the means, content and frequency of notice.

The purpose for amending rule 3901-1-01 is the five year rule review under section 119.032 of the Revised Code. The department is proposing amendments that remove guidelines regarding the public notice of rule promulgation due to the fact that the requirements are set forth with particularity in section 119.03 of the Revised Code. This section requires all notices related to the proposed adoption, amendment or recession of rules must be given to the register of Ohio for publication. During review, it was also realized that a section referenced was incorrect and mentions of the superintendent of

insurance needed to become gender neutral. Due to the age of the rule, current department rule formatting standards have also been applied.

The purpose of rule 3901-1-64 is to establish procedures and requirements for the reporting of specific medical, dental, optometric and chiropractic claims data to the Ohio department of insurance.

The purpose for amending rule 3901-1-64 is the five year rule review under section 119.032 of the Revised Code. During the review process, it was discovered that a reference was incorrectly cited. It is recommended that the rule be amended to correct the reference to the definition of Risk Retention Group.

The purpose of rule 3901-2-13 is to describe in detail and provide the format for the information that must be included in a proxy statement.

The purpose for amending rule 3901-2-13 is the five year rule review under section 119.032 of the Revised Code. The rule is being amended to correct three technical wording and spelling errors in paragraphs (L), (M)(2) and (N)(1) of this rule. Also, amended to include consistent provisions for department rule formatting: (A) Purpose, (B) Authority, and (X) Severability. Adding (A) and (B) move all provisions down two letters and also changes location references in corresponding appendixes.

The purpose of rule 3901-2-15 is to describe the information that must be included in an information statement when there is no proxy sought.

The purpose for amending rule 3901-2-15 is the five year rule review under section 119.032 of the Revised Code. Paragraphs are incorrectly referenced. Technical amendment corrects the references to the appropriate paragraphs ((B), (D), (E) changed to (C), (E), (F)). The amendment also harmonizes rule with model law. Also, amended to add provisions consistent with department rule formatting: (A) Purpose, (B) Authority and (I) Severability. This moves other provisions.

The purpose of rule 3901-3-18 is to adopt the forms, instructions and manuals prescribed by the National Association of Insurance Commissioners (NAIC) for the preparation and filing of statutory financial statements and other financial information.

The purpose for amending rule 3901-3-18 is the five year rule review under section 119.032 of the Revised Code. The department is proposing to amend this rule by removing the credit for reinsurance provision to become consistent with Ohio law after the recent passage of HB 140.

The purpose of rule 3901-5-01 is to establish continuing education (CE) requirements, standards and procedures for insurance agents.

The purpose for amending rule 3901-5-01 is the five year rule review under section 119.032 of the Revised Code. Proposed changes will correct a citation and clarify language surrounding license renewal procedures.

The purpose of rule 3901-5-03 is to establish a procedure for the review and approval of CE courses which licensed agents must complete for the purpose of maintaining their licenses.

The purpose for amending rule 3901-5-03 is the five year rule review under section 119.032 of the Revised Code. Proposed amendments include the addition of requirements and clarifications relating to distance learning courses.

The purpose of rule 3901-5-06 is to establish the fees to be charged for certain services and transactions for the pre-licensing and the CE programs.

The purpose for amending rule 3901-5-06 is the five year rule review under section 119.032 of the Revised Code. The proposed amendment will fix an error in citation.

The purpose of rule 3901-5-07 is to establish the criteria for agent pre-licensing education and to establish certain examination requirements.

The purpose for amending rule 3901-5-07 is the five year rule review under section 119.032 of the Revised Code. Proposed changes include the addition of "self-study with prep" language, corrections in citations, the removal of a definition and the addition of language to increase efficiencies in agent licensing processes for military veterans.

The purpose of rule 3901-5-08 is to set forth the conversion schedule for changing insurance agent licensing from a perpetual license structure to a biennial license renewal, changing limited line license renewal periods, the methodology for establishing renewal periods for newly licensed agents and transitioning the CE requirements to coincide with the renewal periods.

The purpose for rescinding rule 3901-5-08 is the five year rule review under section 119.032 of the Revised Code. Rule is recommended for rescission because it was created to describe a conversion schedule and procedure agents would follow as Ohio converted licensing from perpetual to biannual renewal. The conversion period has now occurred and Ohio is operating on a biennial license renewal structure. The portions of the rule that align ongoing CE requirements with renewal periods are recommended as amendments for rule 3901-5-09, which is under simultaneous review and submission for approval.

The purpose of rule 3901-5-09 is to set forth procedures and requirements for the licensing and appointment of insurance agents in this state; and to identify lines of authority eligible for limited lines licenses.

The purpose for amending rule 3901-5-09 is the five year rule review under section 119.032 of the Revised Code. Amending to strike reference to agent termination fees, per HB 59 of the 130<sup>th</sup> General Assembly. Also, to insert consolidated language from 3901-5-08, which is simultaneously recommended for rescission, to describe when licenses must be renewed and what corresponding CE requirements must be met. Other changes include adding portable electronics as a recognized limited line of authority and

increasing efficiencies in agent application processes for veterans and members of the military.

The purpose of rule 3901-8-10 is to provide specific requirements for the dissemination of information concerning a public hearing scheduled by the superintendent of insurance pursuant to section 3923.021 of the Revised Code.

The purpose for amending rule 3901-8-10 is the five year rule review under section 119.032 of the Revised Code. The proposed amendments will add an alternative method for the delivery of notices, such as email.

The purpose of rule 3901-8-12 is to implement the open enrollment statute, sections 3923.58 and 3923.581 of the Revised Code, as recently amended on October 16, 2009, for open enrollment years starting January 1, 2010. This rule requires carriers to provide information to consumers, insurance agents and to the superintendent, pursuant to section 3923.582 of the Revised Code. The open enrollment requirements in this rule apply to any carrier that is in the business of issuing health benefit plans to individuals and/or non-employer groups.

The purpose for amending rule 3901-8-12 is the five year rule review under section 119.032 of the Revised Code. Pursuant to section 3 of Substitute Senate Bill 9 of the 130th General Assembly, the underlying open enrollment statute has been suspended until January 2018. Therefore, the proposed amendments to 3901-8-12 include the addition of a suspension clause in order to align the rule with statute.

Requests for copies of the rule should be addressed to Tina Chubb, Ohio Department of Insurance, 50 West Town Street, 3<sup>rd</sup> Floor, Suite 300 Columbus, Ohio 43215, or the proposed rule can be viewed online at [www.insurance.ohio.gov](http://www.insurance.ohio.gov).

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3901-3-18