

**MEMORANDUM**

TO: Allison Conklin, Ohio Department of Insurance

FROM: Emily Kaylor, Regulatory Policy Advocate

DATE: August 12, 2016

RE: **CSI Review – Public Insurance Adjusters (OAC 3901-1-24)**

On behalf of Lt. Governor Mary Taylor, and pursuant to the authority granted to the Common Sense Initiative (CSI) Office under Ohio Revised Code (ORC) section 107.54, the CSI Office has reviewed the abovementioned administrative rule package and associated Business Impact Analysis (BIA). This memo represents the CSI Office's comments to the Agency as provided for in ORC 107.54.

Analysis

This rule package consists of one amended rule submitted by the Ohio Department of Insurance for its statutorily required five-year review. It was submitted to the CSI Office on June 24, 2016 and the comment period closed on July 12, 2016. No comments were received during this time.

The rule regulates public insurance adjusters who advocate on behalf of policyholders to their insurance companies when claims are filed to ensure the proper damage relief in an efficient manner. These adjusters can appraise damages, prepare estimates, read a person's policy to determine coverage, and negotiate with an individual's insurance company. The few amendments to the rule change formatting and add a section to explain the Superintendent's authority to regulate public insurance adjusters. The rule explicitly outlines prohibited activities of adjusters so that they do not have a financial interest in the outcome of the claim.

The BIA states that this rule does not impose a direct cost, but it does prohibit public insurance adjusters from engaging in certain activities, requires them to keep detailed records for up to three years, and allows the Superintendent to suspend or revoke a license if an adjuster is acting in conflict with the rule. Fees and applications for public insurance adjusters are established in ORC

3951 and there are no additional fees in this rule. There were no comments received during the CSI comment period that the impacts are overly burdensome and the rule aims to ensure consumer protection in the realm of insurance so that adjusters act ethically and uniformly.

After reviewing the proposed rules and the BIA, the CSI Office has determined that the rules satisfactorily meet the standards espoused by the CSI Office, and the purpose of the rule package is justified.

Recommendation

For the reasons explained above, the CSI office does not have any recommendations for this rule package.

Conclusion

Based on the above comments, the CSI Office concludes that the Ohio Department of Insurance should proceed with the formal filing of this rule package with the Joint Committee on Agency Rule Review.

cc: Mark Hamlin, Lt. Governor's Office