



## Common Sense Initiative

**Mike DeWine**, Governor  
**Jon Husted**, Lt. Governor

**Carrie Kuruc**, Director

### MEMORANDUM

**TO:** Loretta Medved, Ohio Department of Insurance

**FROM:** Paula Steele, Common Sense Initiative Office

**DATE:** August 12, 2019

**RE:** **CSI Review – Proxies, Consents and Authorizations of Domestic Stock Insurance (OAC 3901-2-01 through 3901-2-15)**

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On behalf of Lt. Governor Jon Husted, 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 three amended and twelve no-change draft rules submitted by the Ohio Department of Insurance (ODI) pursuant to ORC five-year review requirements. The rule package was submitted to the CSI Office on July 10, 2019 and the public comment period ended on July 24, 2019.

The draft rules govern procedures required of domestic stock insurance companies having at least fifty shareholders when soliciting proxy, consent or authorization from security holders. The draft rules represent nationwide industry standards and are required by Ohio statute. Companies that file with the Securities and Exchange Commission are exempt.

The rules consist of numerous requirements of specific information to be shared by an issuer of securities with the holder of those securities regarding annual meetings, board of director elections, authority and soliciting of proxy, etc. The draft rules include requirements for the presentation of information in the proxy statements and prescribe materials required to be filed with ODI. The proposed rules are being amended to update references, correct spelling errors, and modernize industry terminology. In addition, ODI proposes updates to comply with ODI rule composition

77 SOUTH HIGH STREET | 30TH FLOOR | COLUMBUS, OHIO 43215-6117

[CSIPublicComments@governor.ohio.gov](mailto:CSIPublicComments@governor.ohio.gov)

standards so the rules include a statement of authority, purpose and severability.

According to the BIA, ODI solicited input from industry stakeholders during the rule review and development. No comments were received. Additionally, no public comments were received during the CSI public comment period.

The BIA identifies the adverse impact as administrative based limited to employee resources and office supplies to compile and distribute information and requires only actions prescribe in statute.

### **Recommendations**

Based on the information above, the CSI Office has no recommendations on this rule package.

### **Conclusion**

The CSI Office concludes that the Ohio Department of Insurance should proceed in filing the proposed rules with the Joint Committee on Agency Rule Review.