



# Common Sense Initiative

Mike DeWine, Governor  
Jon Husted, Lt. Governor

Joseph Baker, Director

## MEMORANDUM

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

**FROM:** Caleb White, Business Advocate

**DATE:** August 27, 2024

**RE:** **CSI Review – Agent Rules (OAC 3901-5-01, 3901-5-02, 3901-5-03, 3901-5-04, 3901-5-05, 3901-5-06, and 3901-5-07)**

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 Department as provided for in ORC 107.54.

### Analysis

This rule package consists of seven amended rules proposed by the Ohio Department of Insurance (ODI) as a part of the statutory five-year review process. This rule package was submitted to the CSI Office on July 19, 2024, and the public comment period was held open through August 2, 2024. Unless otherwise noted below, this recommendation reflects the version of the proposed rules filed with the CSI Office on July 19, 2024.

The rules in this package set forth regulations surrounding continuing education for insurance agents in Ohio. Ohio Administrative Code (OAC) 3901-5-01 establishes the continuing education process and requirements for insurance agents. This rule is amended to allow partial credit to be given for distance learning courses, clarify that continuing education credits that relate to membership and participation in insurance associations require a written request to the association for the association's determination of participation credit and for those credits to be submitted to ODI, to reformat, update, and streamline language, as well as to update statutory references. OAC 3901-5-02 establishes the application process and requirements for applicants to become a certified continuing education

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provider. This rule is amended to reformat, update and streamline language as well as to update statutory citations. OAC 3901-5-03 establishes the requirements a continuing education course must meet to be approved as an acceptable course. This rule is amended to reformat, update and streamline language as well as to update statutory citations. OAC 3901-5-04 establishes continuing education requirements related to practices, attendance rosters, advertising, audits, and the issuance of certificates of completion which providers are required to meet. This rule is amended to remove records retention requirements, to update and streamline language, as well as to update statutory citations. OAC 3901-5-05 outlines the potential violations and penalties pertaining to education that a continuing education provider, insurance agent, or applicant may be subject to. This rule is amended to allow ODI to refuse additional examination attempts to the list of penalties for agents and license applicants and to update and streamline language. OAC 3901-5-06 establishes the various fees that ODI requires for pre-licensing and continuing education programs. This rule is amended to update and streamline language. OAC 3901-5-07 establishes requirements related to pre-licensing education and examinations. This rule is amended to update and streamline language.

During early stakeholder outreach, ODI posted the draft rules on its website and emailed stakeholders in early May 2024 requesting their feedback on the rules. This group of stakeholders included the Association of Ohio Life Insurance Companies, the American Council of Life Insurance, the National Association of Insurance and Financial Advisors, Ohio Association of Health Plans, the Professional Independent Agents Association, and the Ohio Insurance Agents. No comments were received during this period or during the CSI public comment period.

The business community impacted by the rules includes individual insurance agents, business entities engaging in the sale of insurance products, agent education providers, and insurers. The adverse impacts created by the rules include continuing education requirements, continuing education course requirements, advertising requirements, fees, records retention requirements, reporting requirements, and potential violations. ODI states that the adverse impacts to business are justified to establish uniformity through common business practices and requirements in order to create a fair and competitive marketplace for the sale and purchase of insurance products.

### **Recommendations**

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

### **Conclusion**

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