



# 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:** January 13, 2025

**RE:** **CSI Review – Ohio Fair Plan: Plan of Operation (OAC 3901-1-18)**

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 one amended rule proposed by the Ohio Department of Insurance (ODI). This rule package was submitted to the CSI Office on December 18, 2024, and the public comment period was held open through January 3, 2025. Unless otherwise noted below, this recommendation reflects the version of the proposed rule filed with the CSI Office on December 18, 2024.

Ohio Administrative Code (OAC) 3901-1-18 establishes the processes and requirements related to the Ohio Fair Plan Underwriting Association (OFP). This entity is created by statute and allows individuals that have been denied homeowners insurance to purchase coverage. This rule is amended to remove a definition, increase coverage limits, reduce inspection requirements, eliminate a mailing requirement, as well as to update, reformat, and streamline language.

During early stakeholder outreach, ODI posted the draft rule on its website and shared the rule with the OFP staff on November 20, 2024. ODI then accepted comments on the rule through December 18, 2024. No comments were received during this period. During the CSI public comment period,

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ODI received three comments. The first came from a commenter expressing support for the increased coverage limits and with a request for the inspection requirements to not be relaxed too far. The next two comments asked for clarification surrounding pricing options in the OFP and the removal of a definition. ODI responded to these comments and provided clarification. After the CSI public comment period, the CSI Office reached out to ODI for clarification regarding the deletion of a provision that ensured inspections are covered free of charge to the consumer. ODI clarified that while this provision is being eliminated, the cost will still be covered by OFP.

The business community impacted by the rule includes high risk homeowners seeking coverage through OFP and Ohio insurance agents. ODI notes that all companies authorized to write basic property and homeowners' coverage in the state of Ohio are members of OFP. The adverse impacts created by the rule include inspection requirements, reporting requirements, policy requirements, application requirements, and the requirement for agents to assist qualified homeowners in applying for coverage through the program. ODI states that the adverse impacts to business are justified to fulfil the statutory requirement to formulate and administer a program for the equitable apportionment of homeowners insurance which cannot be obtained in the normal insurance market.

### **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 rule with the Joint Committee on Agency Rule Review.