Mike DeWine, Governor
Jillian Froment, Director

Ohio House Insurance Committee
Overview

- Sixth largest insurance state, by premium volume, in the United States
- 17th largest insurance market in the world.
- License and Regulate the activities of more than 1,600 insurance companies
  - nearly 270 domestic companies
  - more than $84 billion in insurance premiums.
- License and review the conduct of more than 220,000 insurance agents and approximately 18,000 insurance agencies
Overview

- Funded solely by Ohio’s insurance industry.
  - Companies, agents and other entities pay fees providing 100 percent of the Department’s necessary funding.
- The Director of Insurance is appointed by the Governor
  - AKA Commissioner, Superintendent and Liquidator
- ~250 full-time permanent employees.
Licensing and Investigative

- Issue licenses to:
  - insurance agents
  - insurance business entities
  - managing general agents
  - public insurance adjusters
  - reinsurance intermediaries
  - surety bail bond agents
  - surplus line brokers
  - title agents
  - third party administrators
  - viatical settlement brokers
  - pharmacy benefit managers.
Licensing and Investigative

• determines if the licensed individuals and business entities have met the minimum requirements to renew and maintain the license;
• monitors the continuing education hours for individual insurance agents;
• processes insurance company appointments of authorized agents;
Licensing and Investigative

• Market Conduct
  – monitors insurers' compliance with Ohio insurance laws and regulations by examining insurance entities' business practices, such as underwriting, marketing, and claims handling.
  – Market Withdrawals
  – Cybersecurity incidents
  – Data Calls
Licensing and Investigative

- Fraud Investigation and Enforcement Program
  - investigates alleged misconduct or fraud committed by:
    - licensed individuals, entities, consumers, third parties, and medical providers.
    - Agents who engage in such acts may lose their licenses or face other sanctions.
  - Refers cases to local, state, and federal prosecutors
    - provides evidence and testimony regarding investigations conducted.
Risk Assessment

• Regulates the financial solvency of all domestic insurance companies

• Also monitors and coordinates regulatory oversight of the financial conditions of:
  – foreign insurers, surplus lines, captive insurance companies, and alien insurers.

• Reviews financial statements of every company licensed in Ohio

• Oversees complex transactions
Risk Assessment

• Calculates and certifies to the Treasurer of State the domestic and foreign insurance premium tax owed to the state.

• Monitors insurers' statutory and solvency compliance on an ongoing basis and conducts on-site field examinations.
  – By statute, the department examines insurers as often as the Superintendent of Insurance deems appropriate, but at least once every five years.
Product Regulation

• Products reviewed include:
  – commercial lines (e.g. insurance for businesses-auto, general liability, professional liability including medical malpractice, property, crime, fidelity, and surety),
  – personal lines (e.g. insurance for individuals and families-auto and homeowners),
  – life and health, as well as accident policies.

• Also reviews title insurance, risk purchasing and risk retention group registrations, and surplus lines reports.
Product Regulation

- Policy language is reviewed for clarity and compliance with statutes and rules.
- Actuarial oversight verifies actuarial standards are applied to ensure that rates are not excessive, inadequate, or unfairly discriminatory.
- Program staff members analyze the valuation of reserve liabilities for domestic life insurance companies.
Product Regulation

• Product Regulation participates in all Risk Assessment examinations to evaluate reserving, pricing, underwriting and liquidity risks, among others.
Consumer Services

• Assists consumers through:
  – telephone, internet and written communications
  – one-on-one meetings, and
  – community outreach activities.

• Inquiries regarding a wide variety of insurance matters and investigate insurance consumer complaints.
Consumer Services

• Identify violations of Ohio's insurance laws
• Distribute educational publications
  – such as insurance guides for different types of insurance and numerous pamphlets that complement the guides and focus on topics of consumer interest;
• Counseling victims at disaster assistance sites;
• Conducting insurance fairs across the state.
End