Fiscal Note & Local Impact Statement

122 nd General Assembly of Ohio

BILL: **Sub. H.B. 248** DATE: **May 15, 1997**

STATUS: **As Reported by House Insurance** SPONSOR: **Rep. Reid**

LOCAL IMPACT STATEMENT REQUIRED: **No — No local cost**

CONTENTS: **Requires insurers to adopt an antifraud program**

State Fiscal Highlights

- No direct fiscal effect on the state.

Local Fiscal Highlights

- No direct fiscal effect on local governments.

Detailed Fiscal Analysis

The bill would require each insurer to adopt an antifraud program and to produce a written explanation of the plan, including the names of the persons responsible for the insurer's program. Each insurer would be required to maintain possession of their own written plan, as well as to update it if it is amended or there is a change in the list of names. Because the Department of Insurance would only review the plan upon their own request, such as during a market conduct examination, the provision would have no cost to the state.

While the bill does require two items to be submitted to the department, any potential minimal increase in the department's administrative burden would likely be absorbed. The bill requires insurers to submit the names of individuals suspected of insurance fraud involving claims of more than $1,000, and agents or solicitors of insurance who are convicted of a felony must notify the Superintendent of Insurance within 30 days of the entry date of the judgement of conviction. The bill does not mandate the department to act on the submissions, so there is no mandated cost to the state.

❑ *LBO staff: Chris Whistler, Economist*

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