
Director Judith L. French Budget Testimony**House Development Committee****Wednesday, February 19, 2025**

Chairman Hoops, Vice Chair Lorenz, and Ranking Member Abdullahi, and members of the Ohio House Development Committee, thank you for the opportunity to join you today to discuss the Ohio Department of Insurance's (department) budget request for Fiscal Years (FY) 2026 and 2027. I am pleased to present a budget that is fiscally sound and virtually flat-funded compared to the last biennium.

DEPARTMENT OVERVIEW

The department regulates all aspects of Ohio's powerhouse insurance industry. Ohio's insurance market is the fifth largest in the United States and the 16th-largest in the world. Five Ohio-based insurers are on the 2024 Fortune 500 list, second only to the state of New York.

1,730 companies hold licenses to do business in Ohio, and more than 250 companies call Ohio home. These insurers write more than \$145 billion in insurance premiums annually and employ more than 132,000 Ohioans.

Ohio has traditionally been one of the most affordable states for homeowners and auto insurance. Even with the recent nationwide rate hikes, Ohioans enjoy relatively low premiums. According to 2021 data from the National Association of Insurance Commissioners (NAIC), Ohioans paid an average of \$776 for auto insurance and \$920 for homeowners insurance. These rates are significantly lower than the national averages of \$1,062 and \$1,411, respectively. As a result, Ohio remains among the top 10 states with the lowest insurance premiums nationwide.

The department also licenses and monitors the conduct of more than 341,000 insurance agents and 23,000 insurance agencies that do business with Ohioans.

We are not a general revenue agency. Instead, licensing fees paid by agents and agencies primarily fund the department with some additional revenue coming from company examinations.

The department is one of the largest consumer protection agencies in the state, and we take that responsibility seriously. The Ohio Senior Health Insurance Information Program (OSHIIP), which is nationally recognized for its work providing free and unbiased information to Ohio's Medicare population, helped Ohioans save \$54 million in 2024.

We're also very proud that Christine Reeg, OSHIIP's Program Director, was awarded "SHIP Director of the Year" by the U.S. Department of Health and Human Services, and one of OSHIIP's local volunteers was awarded "SHIP Volunteer of the Year".

Providing even more savings to Ohioans, the department's Consumer Services Division (CSD) more than doubled the dollars it saved or recovered for consumers compared to five years ago and has cut its complaint processing time by a third in that time.

DEPARTMENT PRIORITIES

Mental Health and Substance Use Disorder Initiatives

Governor DeWine has always been very clear that improving access to mental health and substance use disorder care is a key priority for all state agencies.

I'm proud to say that the department has completely transformed its efforts around access to mental health and substance use disorder in recent years.

The Mental Health Insurance Assistance (MHIA) office is fully functional with a full-time program director that continues our commitment to a “no wrong door” approach for Ohioans who need insurance-related help. Any Ohioans can call 1-855-GETMHIA and get the information they need to access their mental health benefits.

The department has expanded its commitment to mental health by forming an informal working group. The group includes representatives from other state agencies, provider groups, health plans, consumer advocacy groups, and the business community. The working group's focus is on improving communication and identifying opportunities to improve mental health insurance, ensuring that individuals have access to necessary care.

One of the items in the department's budget language is the direct result of an issue identified in the working group, provider payment fee disclosures. Health insurance companies often rely on third party payment platforms that require payment processing fees. In many cases the health care provider is not offered an option to be reimbursed through a method that doesn't require a fee. ODI's language would, at minimum, require disclosures and present options to the health provider for payment options.

Giving Money Back to Ohioans

Throughout the DeWine administration, the legislature has worked with the governor to repeatedly lower taxes, cut government red tape, and implement pro-jobs policies. In that spirit, during the last budget cycle, the department proposed cutting the agent licensing fees in Ohio to put more money back into the state's economy.

Thanks to your support and with the approval of the Joint Committee on Agency Rule Review (JCARR), the department cut licensing fees by a third for the 2nd time in nearly a decade. This cut lowered the appointment fee from \$15 to \$10, saving the industry \$15.8 million in the last fiscal year.

Moving forward, the department will continue to work internally and with industry to identify other opportunities for savings and efficiencies.

Growing Ohio's Insurance Industry and Workforce

One thing I hear over and over as I travel around the state visiting agencies and companies is the growing workforce challenges and the interest in developing a robust talent pipeline for the state's insurance industry.

Recognizing this need has led to the department reaching out to other state agencies and forming partnerships with industry, higher educational institutions, and stakeholder groups to address this new challenge.

This collaborative approach has led to some innovative ideas that we believe will help find the 108,000 new insurance employees we will need in Ohio by 2031. For example, through a partnership with the Ohio Insurance Institute (OII), the department is participating in insurance-career centered events at the ten risk management and insurance programs located in Ohio's colleges and universities. And have partnered with the Ohio Independent Insurance Agents to help train their interns.

There is so much work to do in the workforce space. We see it in every corner of our economy. Therefore, one of the department's top priorities for the upcoming biennium will be to build on this momentum and continue to strengthen Ohio's insurance ecosystem.

BUDGET REQUEST

The department is committed to the work I have outlined today as well as all the charges the agency must carry out.

To meet the needs of a growing industry in Ohio and to protect Ohio consumers, the department is requesting \$51,172,453 for Fiscal Year 2026 (a 3.2 percent increase over Fiscal Year 2025) and \$52,750,313 for Fiscal Year 2027 (a 3.1 percent increase over Fiscal Year 2026).

Chairman Hoops and members of the House Development Committee, thank you for the opportunity to present the department's budget request. I would be happy to answer any questions.

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