

## OHIO HOUSE LOCAL GOVERNMENT COMMITTEE

### HOUSE BILL 139, PROPONENT

April 1, 2025

Chair King and Members of the Committee,

On behalf of the National Association of Mutual Insurance Companies (NAMIC), thank you for the opportunity to submit this statement in support of House Bill 139.

NAMIC represents over 1,300 member companies, including six of the top 10 property/casualty insurers in the United States. Our membership includes both local, regional mutual insurance companies on main streets across America and some of the country's largest national insurers. Together, our members write \$383 billion in annual premiums and represent:

- 61% of the homeowner's insurance market
- 48% of the automobile insurance market
- 25% of the business insurance market

Since its inception, the property/casualty insurance industry in the United States has focused on helping policyholders identify, minimize, and mitigate risks. NAMIC members are dedicated to protecting policyholders by providing coverage that safeguards homes, businesses, and automobiles from financial loss.

However, despite best efforts, the industry is facing an unprecedented era of risk. Increasingly costly disasters, lawsuits, inflation, economic pressures, and other factors have led to combined ratios over 100 for many insurers. For example, for yearend of 2023, the combined ratio for homeowners' insurance across the U.S. was 110.9. This means that for every \$1 of premium, \$1.10 was paid out in claims and expenses.

These challenges highlight the need for a collaborative effort between the insurance industry and policymakers to mitigate risks and address issues that increase costs in the market.

House Bill 139 addresses a critical issue in Ohio: the lack of a standardized process for inspecting and testing fire hydrants to ensure they are operational when needed. If passed, this bill will significantly enhance fire safety and preparedness, which are among the factors considered in insurance underwriting and pricing.

HB 139 requires the state fire marshal to ensure the inspection, testing and maintenance of fire hydrant systems are conducted in Ohio by requiring any party responsible for maintaining a fire hydrant system to:

- Periodically test the system
- Maintain the system in operational condition at all times



- Repair the system as needed
- Keep records of maintenance and testing

These efforts will be especially beneficial for rural communities. Surveys are conducted to assess a community's fire-suppression system, evaluating key components such as emergency communications, fire departments, water supply, and community risk reduction. As part of the water supply evaluation, factors such as hydrant size, type, installation, and the frequency of hydrant inspections and flow testing are considered to determine a community's fire-suppression system.

By ensuring regular maintenance and testing of fire hydrants, HB 139 will improve the reliability of a community's fire protection system, enhance public safety, and strengthen the underwriting process for insurance premiums. Most importantly, it will help mitigate risk by ensuring that a community's fire protection infrastructure is ready when first responders need it most.

NAMIC believes that House Bill 139 is an important step toward protecting our communities and ensuring that fire protection systems are maintained to the highest standards. For these reasons, we urge the passage of this bill.

Sincerely,

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