



**House State and Local Government Committee
Ohio Department of Insurance
Agent Licensing
Wednesday, October 13, 2021**

Chairman Wiggam, Vice Chair John, Ranking Member Kelly, and members of the House State and Local Government Committee, my name is Meredith Craig and I am the Assistant Director of Government Affairs at the Ohio Department of Insurance (the department). Thank you for the opportunity to join you today to discuss the department and our role in licensing insurance agents. The department is the regulator of insurance in Ohio and as such, carries out a number of core functions. In addition to licensing insurance agents, we license agencies and insurers; we review insurance products sold in Ohio; we oversee the financial solvency of insurers; and we enforce insurance laws. By carrying out these duties, the department is one of the largest consumer protection agencies in the state.

The department is one of the largest insurance regulatory agencies in the world because of the size of Ohio's insurance market. Nearly 1,700 companies hold licenses to do business in Ohio, and nearly 260 have headquarters here. These insurers write \$102 billion in insurance premium annually and employ more than 100,000 Ohioans. The department licenses and monitors the conduct of over 300,000 insurance agents and more than 20,000 insurance agencies that do business with Ohio consumers. This makes Ohio the seventh largest insurance market in the United States and the 17th largest in the world.

The department's licensing division is responsible for overseeing the licensing of all individuals seeking to perform insurance transactions in Ohio. The licensing division administers testing and issues licenses to insurance agents, and monitors their continuing education requirements. The licensure process ensures only qualified individuals obtain an insurance license and allows the department to oversee the agents'

interaction with consumers. In order to maintain a competitive insurance market, the licensing division strives to ensure the licensure process is efficient so new agents are able to quickly enter the market and begin assisting Ohioans. During the COVID-19 pandemic, the department allowed flexibility to agents in a number of ways. First, we allowed both pre-licensing education requirements and continuing education requirements to be done online. Secondly, we extended the deadline for any license renewal and CE requirement until July 1, 2021. Thirdly, we issued temporary licenses to individuals that received an “insurer sponsor agreement” and met other criteria.

In addition to the specific licensures outlined in the department’s questionnaires, an appointment is required for each line of authority an agent is authorized to write for an insurer. An insurance agent cannot act as an agent of an insurer unless the agent is appointed as an agent of the insurer. Appointments are renewed annually and companies are invoiced monthly, dependent upon the previous month’s appointments. In 2014, appointment fees were reduced from \$20 to \$15. Nationally, Ohio’s licensure fees are among the lowest for obtaining an insurance license.

Ohio is an active member of the National Association of Insurance Commissioners (the NAIC). The NAIC sets standards and establishes best practices for the insurance industry and provides support to state regulators. This allows states to adopt uniform standards, including agent licensing standards. Licensing reciprocity is crucial in the insurance industry, so agents can obtain a non-resident agent license in a state other than their home state. The department maintains accreditation with the NAIC, which eases the burden of our resident agents doing business in other states.

Mr. Chairman and members of the committee, thank you for the opportunity to present to you today. I am happy to answer any questions.