



**Our mission**

To act as the Ohio property and casualty insurance industry's voice on matters affecting or involving the industry.

**Ohio Insurance Institute**

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**Ohio Insurance Institute  
House Bill 110**

*Ohio House Finance Subcommittee on Health and Human Services  
Michael D. Farley, VP, Government Affairs and General Counsel  
February 23, 2021*

Chairman Roemer, Ranking Member West, and members of the Ohio House Finance Subcommittee on Health and Human Services – thank you for the opportunity to offer testimony on the 2022-2023 operating budget for the Ohio Department of Insurance.

My name is Michael Farley and I have the honor to serve as Vice President of Government Affairs and General Counsel for the Ohio Insurance Institute (OII). On behalf of the OII and our member companies, I write to express appreciation for the proposal before the Subcommittee to fund the Ohio Department of Insurance for the next two years.

The Ohio Insurance Institute is a member-operated trade organization which serves as the lead advocate for the property and casualty insurance industry in Ohio. Collectively, OII represents over 50 independent companies and organizations within the property and casualty insurance industry. Additionally, OII's member companies represent 87% of Ohio's private passenger auto insurance market, 81% of the state's homeowners market, and over 50% of the state's commercial lines market. The property and casualty insurance industry accounts for over 37,500 jobs in Ohio and more than \$3.3 billion in wages for Ohio's families.

The budget proposal before the Subcommittee adequately funds the Department of Insurance. The proposal allows the ODI to continue as one of the leading insurance regulators in the nation. Moreover, the proposal provides for adequate staffing to manage review, enforcement, and rigorous consumer protection. The ODI has a well-earned reputation as a consumer-focused regulator. The ODI has a traditional view of adequate and innovative regulation that has fostered a market that contains some of the lowest property and casualty insurance premiums in the nation. This budget will continue this momentum.

Insurers value adequate prudential regulation. Insurers are subject to assessment to cover the claims of insolvent insurers through a mechanism known as the Guaranty Fund. This is most acute in cases pertaining to the property and casualty insurance industry because when insurers are assessed, property and casualty insurers are not permitted to use the cost of the assessment against premium tax liability. Strong regulation protects consumers, encourages innovation, and prevents insurer insolvencies that can cause havoc to the state's economy.

On behalf of the OII and our member companies, we look forward to any further communication with this subcommittee as you contemplate the budget proposal before you.

Thank you for your time and attention to this critical task.