



**Senate Insurance Committee
Senate Bill 273
Interested Party Testimony
March 16, 2022**

Chairman Hackett, Vice Chair Romanchuk, Ranking Member Craig and members of the Senate Insurance Committee, thank you for providing the opportunity to submit written interested party testimony on Senate Bill 273. First, we would like to thank Chairman Hackett and Senator Hottinger for sponsoring this legislation.

The Association of Ohio Life Insurance Companies (“AOLIC”) is a trade association consisting of many of the largest life insurance companies doing business in Ohio. We are the definitive voice for the life insurance industry in Ohio and strive to make Ohio the best life insurance state in the nation, for both companies and consumers.

AOLIC members include 14 domestic and foreign life insurers doing business throughout the state. Many of these companies offer their products throughout the United States, and are active in regulatory discussions in other jurisdictions. Continuity between states in which our companies do business is always important for our industry.

Senate Bill 273 brings Ohio in line with 34 other states that have adopted the National Association of Insurance Commissioners’ (NAIC) Life and Health Insurance Guaranty Association Model Act. Following the Penn Treaty insolvency, the Model Act was amended in 2017 to address guaranty fund coverage and assessments for any future Long Term Care Insurance (LTCI) insolvencies. Those amendments were intended to strengthen the backstop for consumers by expanding the assessment base to include health maintenance organizations (HMOs) and to more equitably distribute assessments among life and health insurers. Adding HMOs to the guaranty fund system also brings their policyholders the same protections afforded to health insurer policyholders, which is important in light of the minimal difference (if any) between products offered by HMOs and health insurers. More equitably splitting assessments between health insurers and life insurers is important going forward, given that health insurers paid the majority of assessments for prior LTCI insolvencies while not the primary writers of LTC policies.

For some of our members, leaving the assessment formula as it is today would be catastrophic. Since the current law places the burden squarely on health insurers, with some liability placed on life insurers, and excludes HMOs, certain life companies that write life, health, and disability

MEMBER COMPANIES

Brighthouse Financial
Charlotte, North Carolina

The Cincinnati Life Insurance Co.
Cincinnati, Ohio

Encova Insurance
Columbus, Ohio

Genworth Financial, Inc.
Richmond, Virginia

Grange Life Insurance Co.
Columbus, Ohio

Great American Insurance Group
Cincinnati, Ohio

Guardian Life Insurance Company
New York, New York

MetLife
New York, New York

Nationwide
Columbus, Ohio

New York Life Insurance Co.
New York, New York

Primerica
Duluth, GA

Ohio National Life Insurance Co.
Cincinnati, Ohio

The Prudential Insurance Co. of America
Newark, New Jersey

Western & Southern Financial Group
Cincinnati, Ohio

insurance would bear the brunt of an insolvency in all aspects of their business. This change in law would level the playing field and strengthens the backstop for consumers in the event of a future LTC insolvency.

The changes described above allow for Ohio's guaranty fund to remain stable and solvent. We ask for your favorable consideration of Senate Bill 273. If you have any questions, please do not hesitate to contact us.