



**Proponent Testimony from Jeff Smith on Senate Bill 256  
Before the Senate Insurance Committee  
November 30, 2021**

Chairman Hackett, Vice Chairman Romanchuk and Ranking Member Craig, my name is Jeff Smith and I am the chief executive officer of the Ohio Insurance Agents Association (OIA). Thank you for the opportunity to testify in support of Senate Bill 256.

OIA is the collective voice of 1,200 independent agencies that employ nearly 11,000 Ohioans. We promote, progress and protect the profession and the guidance only independent insurance agents provide. Independent insurance agents are trusted advisors to Ohio citizens and businesses and are responsible for servicing 85% of the commercial policies and 44% of the personal policies in the state. Independent agents offer many types of insurance – auto, health, home, life and business insurance – from many different companies to match consumers with the best choices for their particular needs. We help agents by providing agency valuation support, succession planning, advocacy initiatives, professional development, business solutions and industry thought leadership. We are committed to fighting the commoditization of insurance because we believe the right insurance matters.

Ohio Insurance Agents Association strongly supports the provisions in Senate Bill 256 to modernize Ohio's insurance marketplace by adopting several changes recommended by the National Association of Insurance Commissioners to their Unfair Trade Practices Model Law. These changes will not only promote innovation but will also update the current antiquated anti-rebating rules that are in place for insurance agents and companies while still properly protecting Ohio's insurance consumers.

In fact, these changes will benefit insurance consumers in many areas by permitting insurance agents and companies to offer value added products and services that will aid consumers in various areas such as loss mitigation, liability risks and even health. Furthermore, it is important to note that these changes will provide greater clarity to agents and companies about what is permissible in Ohio so that they can ensure they are not inadvertently running afoul of the law.

Finally, we believe that these changes preserve the necessary protections for consumers to ensure a healthy and competitive insurance marketplace. Rebating and inducement laws have played an important role in protecting consumers from any unfair and unlevel competition. Modernizing the laws with the NAIC changes will keep this important balance.

Thank you again for the opportunity to provide testimony on this important legislation. I am happy to answer any questions.