

**As Reported by the Senate Insurance and Financial Institutions
Committee**

132nd General Assembly

**Regular Session
2017-2018**

Sub. S. B. No. 273

Senator Hackett

Cosponsors: Senators Hottinger, Brown

A BILL

To enact sections 1.65 and 3901.91 of the Revised Code to enact for the Revised Code a definition of the term "insurance rating agency." 1
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BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:

Section 1. That sections 1.65 and 3901.91 of the Revised Code be enacted to read as follows: 4
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Sec. 1.65. (A) As used in the Revised Code, "insurance rating agency" means A.M. Best Rating Services, Inc., Demotech, Inc., or a rating agency certified or approved by a national entity that engages in an approval process that includes all of the following: 6
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(1) A requirement for the rating agency to register and provide an annual updated filing; 11
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(2) Record retention requirements; 13

(3) Financial reporting requirements; 14

(4) Policies for the prevention of misuse of material, nonpublic information; 15
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<u>(5) Management of conflicts of interest, including prohibited conflicts;</u>	17
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<u>(6) Prohibited acts and practices;</u>	19
<u>(7) Disclosure requirements;</u>	20
<u>(8) Required policies, practices, and internal controls;</u>	21
<u>(9) Standards of training, experience, and competence for credit analysts.</u>	22
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<u>(B) Any reference in the Revised Code to an entity named in division (A) of this section shall be construed as a reference to any insurance rating agency as defined in division (A) of this section. Any reference in the Revised Code to a specific entity not named in division (A) of this section but otherwise meeting the definition of "insurance rating agency" in division (A) of this section shall be construed as a reference to an insurance rating agency as defined by division (A) of this section.</u>	24
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<u>Sec. 3901.91. When the superintendent of insurance adopts or amends a rule, including a rule related to the superintendent's duties and powers under Chapters 1751. and 1753. and Title XXXIX of the Revised Code or a rule related to an "insurance rating agency" as defined by section 1.65 of the Revised Code, the superintendent shall give consideration to the inclusion in the rule of the definition of "insurance rating agency" found in section 1.65 of the Revised Code.</u>	33
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