

**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</u>	17
<u>prohibited conflicts;</u>	18
<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</u>	22
<u>credit analysts.</u>	23
<u>(B) Any reference in the Revised Code to an entity named</u>	24
<u>in division (A) of this section shall be construed as a</u>	25
<u>reference to any insurance rating agency as defined in division</u>	26
<u>(A) of this section. Any reference in the Revised Code to a</u>	27
<u>specific entity not named in division (A) of this section but</u>	28
<u>otherwise meeting the definition of "insurance rating agency" in</u>	29
<u>division (A) of this section shall be construed as a reference</u>	30
<u>to an insurance rating agency as defined by division (A) of this</u>	31
<u>section.</u>	32
<u>Sec. 3901.91.</u> <u>When the superintendent of insurance adopts</u>	33
<u>or amends a rule, including a rule related to the</u>	34
<u>superintendent's duties and powers under Chapters 1751. and</u>	35
<u>1753. and Title XXXIX of the Revised Code or a rule related to</u>	36
<u>an "insurance rating agency" as defined by section 1.65 of the</u>	37
<u>Revised Code, the superintendent shall give consideration to the</u>	38
<u>inclusion in the rule of the definition of "insurance rating</u>	39
<u>agency" found in section 1.65 of the Revised Code.</u>	40