| Executive | As Reported by House Finance |
|---|---|
| **INSCD10** Multiple employer welfare arrangements | |
| | R.C. *1739.02, 1739.03, 1739.05, 1739.07, 1739.12, 1739.13, 1739.141, 1739.20, 1739.21, and 3903.81* |
| No provision. | Expands entities eligible to form a multiple employer welfare arrangement (MEWA) to include a chamber of commerce, a tax-exempt voluntary employee beneficiary association or business league, or any other association specified in rule by the Superintendent of Insurance. |
| No provision. | Extends from one year to five years the time frame a group must have been organized and maintained before registering as a MEWA. |
| No provision. | Increases the required minimum surplus for MEWAs from $150,000 to $500,000. Specifies that a MEWA is subject to the continuing law risk-based capital requirements for life or health insurers. |
| No provision. | Permits a MEWA to send notice of involuntary termination to a member by any manner permitted in the agreement, instead of only by certified mail. |
| No provision. | Prohibits a MEWA's stop-loss insurance policy from engaging in specified actions with respect to covered individuals. |
| No provision. | Prohibits a MEWA from enrolling a member in the MEWA's group self-insurance program until the MEWA has notified the member of the possibility of additional liability if the MEWA has insufficient funds. |

| Executive | As Reported by House Finance |
|---|---|
| No provision. | Requires MEWAs to annually file with the Superintendent an actuarial certification. |
| No provision. | Specifies that the requirements for MEWAs that have a valid certificate of authority on the effective date of these provisions enter into force two years from that date. |
| | **Fiscal effect: May increase the Department of Insurance's administrative costs related to requirements associated with MEWAs. Any increase in such costs would be paid from the Department of Insurance Operating Fund (Fund 5540). Potential loss of revenue to GRF under insurance premium taxes (domestic and foreign); MEWAs are exempt from the taxes. Amount of revenue loss would depend on number of employers shifting from taxable premium-based provision of health benefits to MEWA-based provision, and is uncertain.** |

INSCD7 Health insurer required provision of information

| Executive | As Reported by House Finance |
|---|---|
| | R.C. *3901.241* |
| No provision. | Requires insurers offering health benefit plans through an exchange to make available a list of the top 20% of services and an insured's expected contribution for each service to individuals seeking information on the plan. |
| No provision. | Specifies that an insurer that does not provide the required information is committing an unfair and deceptive practice in the business of insurance. |
| | **Fiscal effect: May increase the Department of Insurance's administrative costs related to the requirement. Any increase in such costs would be paid from the Department of Insurance Operating Fund (Fund 5540).** |

| Executive | As Reported by House Finance |
|---|---|
| **INSCD5** Surplus lines affidavit | |
| | R.C. *3905.33* |
| No provision. | Replaces the surplus lines affidavit, required under continuing law to be completed for every insurance policy placed in the surplus lines market, with a signed statement serving a similar purpose, that does not need to be notarized. |
| | **Fiscal effect: None.** |
| **INSCD6** Use of genetic information by insurers | |
| | R.C. *3923.66, 1739.05, 1751.18, and 1751.65* |
| No provision. | Prohibits health insuring corporations, which are already prohibited from using genetic information in relation to reviewing applications, determining insurability, or determining benefits, from using genetic information in setting premium rates. |
| No provision. | Prohibits sickness and accident insurers, public employee benefit plans, and multiple employer welfare arrangements from using genetic information in relation to reviewing applications, determining insurability, determining benefits, or setting premiums. |
| No provision. | Specifies that sickness and accident insurers are subject to the jurisdiction of the Superintendent of Insurance, and the Superintendent's enforcement authority, if such insurers violate the prohibition related to the usage of genetic information. |

| Executive | As Reported by House Finance |
|---|---|
| | **Fiscal effect: Potential increase in costs to some political subdivisions to provide health benefits to employees and their dependents, and potential decrease in costs to other political subdivisions to provide those benefits. Costs to the state to provide such benefits may increase or decrease. The cost of providing health benefits to state and local employees, across all employers statewide, would likely be unchanged. Genetic information may allow insurers to price risk more precisely across groups of employees, meaning premiums would likely go up for some groups and down for other groups.** |

INSCD8 Pharmacy benefit managers and maximum allowable cost

| Executive | As Reported by House Finance |
|---|---|
| | R.C. *3959.111, 3959.01* |
| No provision. | Adds pharmacy benefit managers (PBMs) to the types of third-party administrators, who are required to be licensed by the Superintendent of Insurance. |
| No provision. | Places requirements on contracts between PBMs and "plan sponsors," primarily in regard to maximum allowable cost drug reimbursements. (Plan sponsor includes, with regard to a prescription drug plan, an employer, a multiple employer welfare arrangement, public employee benefit plan, state agency, insurer, managed care organization, or other third-party payer that facilitates a health benefit plan that provides a drug benefit that is administered by a PBM.) |

| Executive | As Reported by House Finance |
|---|---|
| | **Fiscal effect: May increase the Department of Insurance's administrative costs related to requirements related to third-party administrators. Any increase in such costs would be paid from the Department of Insurance Operating Fund (Fund 5540). Potential revenue gain from penalties imposed on PBMs as third-party administrators.** |

INSCD1 Market conduct examination

| Executive | As Reported by House Finance |
|---|---|
| Section: *303.10* | Section: *303.10* |
| Allows the Superintendent of Insurance to assess the cost of conducting a market conduct examination of an insurer against the insurer. Allows the Superintendent to enter into consent agreements to impose administrative assessments or fines for violations of insurance laws or rules. Specifies that all costs, assessments, and fines collected must be deposited to the Department of Insurance Operating Fund (Fund 5540). | Same as the Executive. |
| **Fiscal effect: Potential revenue gain for Fund 5540.** | **Fiscal effect: Same as the Executive.** |

INSCD2 Examinations of fraternal benefit societies

| Executive | As Reported by House Finance |
|---|---|
| Section: *303.10* | Section: *303.10* |
| Allows the Director of Budget and Management, at the request of the Superintendent of Insurance, to transfer funds from the Department of Insurance Operating Fund (Fund 5540) to the Superintendent's Examination Fund (Fund 5550). Specifies that the permitted transfer amount is limited to expenses incurred in examining domestic fraternal benefit societies. | Same as the Executive. |

| Executive | As Reported by House Finance |
|---|---|
| **INSCD3** Transfer from Fund 5540 to General Revenue Fund | |
| Section: *303.10* | Section: *303.10* |
| Requires the Director of Budget and Management to transfer $5.0 million from the Department of Insurance Operating Fund (Fund 5540) to the GRF, not later than the thirty first day of July each fiscal year. | Same as the Executive. |
| **INSCD4** Transfer of funds for captive insurance company regulation | |
| Section: *303.20* | Section: *303.20* |
| Allows the Director of Budget and Management to transfer up to $1 million from the Department of Insurance Operating Fund (Fund 5540) to the Captive Insurance Regulation and Supervision Fund (Fund 5PT0) during fiscal years 2016 and 2017, to pay for necessary operating needs associated with regulating captive insurance companies in Ohio that will occur before receipts related to such regulation are deposited into Fund 5PT0. Requires the Director, in consultation with the Superintendent, to establish a schedule for repaying Fund 5540 for the amounts previously transferred. | Same as the Executive. |

## Other Taxation Provisions

TAXCD58 Payment date for domestic insurance premium tax

| Executive | As Reported by House Finance |
| --- | --- |
| | R.C. *5725.22* |
| No provision. | Requires the State Treasurer to issue a final tax bill to each domestic insurance company on or before May 15 of each year. Allows the Treasurer to issue the tax bill after May 15 and to grant the taxpayer an extension for paying the amount due, in case of emergency. (Current law requires the Treasurer to issue the tax bill within 20 days after receiving the final assessment of taxes from the Department of Insurance and also requires the Department of Insurance to certify the tax liability of each insurance company to the Treasurer on or before the first Monday of May.) |
| No provision. | Requires domestic insurance companies to pay insurance premium tax liability on or before June 15 of each year, or by the next business day if June 15 is a Saturday, Sunday, or legal holiday. (Under current law, payment is due within 30 days of the date the Treasurer mails the tax bill.) |
| No provision. | Adjusts the penalties associated with late payment of the domestic insurance premiums tax. Specifies that the penalty equals $500 for each month the taxpayer fails to pay all taxes and interest due. Allows the Treasurer to assess an additional penalty not exceeding 10% of the taxes and interest due, if the taxpayer fails to demonstrate a good faith effort to pay the taxes and interest on time. (Under current law, the penalty for late payment is 5% of the taxes and interest due if the payment is made within |

| Executive | As Reported by House Finance |
| --- | --- |
| | ten days of the due date and escalates to 10% of the taxes and interest due if the payment is more than ten days late).<br>**Fiscal effect: Potential revenue gain or loss to the GRF, potentially in the millions, due to penalties related to insurance tax. The insurance tax timing changes would have no revenue effect.** |