

# Insurance

## H.B. 188

**Primary Sponsors:** Reps. Lampton and Cross

**Effective date:** July 6, 2022

- Prohibits life, disability, and long-term care insurers from unfairly discriminating against a living organ donor in the offering, issuance, premium, or conditions of such a policy.

## H.B. 371

**Primary Sponsors:** Reps. Schmidt and Denson

**Effective date:** September 23, 2022

### Screening mammography

- Revises the law governing health insurance and Medicaid coverage of screening mammography by (1) requiring coverage for one screening mammography every year and (2) specifying that screening mammography includes digital breast tomosynthesis.
- Requires health insurers and Medicaid to cover supplemental breast cancer screening in certain circumstances.
- Revises the language a mammography facility must use when notifying a patient in writing of the presence of dense breast tissue.

### Temporary certificate of need changes

- For a certificate of need (CON) granted during the period of the COVID-19 state of emergency:
  - Requires the Director of Health to grant a CON holder a 24-month extension to obligate capital expenditures and commence construction for a proposed project;
  - Provides that the transfer of a CON, or transfer of the controlling interest in an entity that holds a CON, before completion of the reviewable activity for which the CON was granted, does not void the CON, so long as recognizing the transfer does not violate the law prohibiting a CON from being approved in various circumstances.
- For a CON granted on or before the act's effective date, prohibits the Director from imposing a civil penalty against the CON holder for obligating capital expenditures of between 110% and 150% of the approved project cost.

## H.B. 575

**Primary Sponsor:** Rep. Cutrona

**Effective date:** April 6, 2023

- Requires a domestic fraternal benefit society to present and execute a plan for the transfer of members to another society or other insurer if the society's capital falls below the authorized control level for risk-based capital (RBC) or if the society fails to maintain its legally required surplus.
- Requires liquidation proceedings to be conducted in a manner to protect insureds, claimants, creditors, and the public, and be conducted in a manner designed to conserve assets, limit expenses, and avoid assessments.
- Requires a liquidator to attempt to transfer policies or certificates of the liquidating society to another society or other insurer.
- Increases, from 30 to 90 days, the time prior to an assessment by which a society must notify the Superintendent of Insurance of its plan to impose the assessment.
- Allows a society to impose an assessment following the notice period only if the assessment has been duly adopted by the society's board of directors and has not been disapproved by the Superintendent.
- Permits the Superintendent to allow an assessment to be imposed earlier than the date identified in the notice.

## S.B. 236

**Primary Sponsors:** Sens. Wilson and Lang

**Effective date:** September 13, 2022

- Deems purchasing an insurance policy through an online website or application to be consent to receiving communication related to the policy via electronic transmission.
- Subjects the communications to the requirements of the Insurance Automated Transaction Law.
- Specifies that consumers may request and receive all communication related to an insurance policy via paper.
- Requires, in order for an insurer, repair facility, or installer to use a salvage motor vehicle part to repair a motor vehicle, that the part be sourced from a licensed salvage motor vehicle dealer, rather than requiring that the part be removed from a salvage motor vehicle by a licensed dealer as under former law.

## **S.B. 256**

**Primary Sponsor:** Sen. Wilson

**Effective date:** July 21, 2022; travel insurance provisions effective October 19, 2022.

### **Travel insurance**

- Adds additional regulations and procedures relating to the premium tax that travel insurers must pay on travel insurance premiums.
- Subjects all persons authorized to sell travel insurance to the Unfair and Deceptive Practices Insurance Law.
- Imposes new requirements on the materials that must be provided to consumers when purchasing travel insurance.
- Specifies when a travel insurance policy may be canceled without penalty, allowing 15 days for cancellation if fulfillment materials are delivered by postal mail and ten days for all other methods of delivery.
- Subjects travel administrators to the Limited Lines Travel Insurance Agents Law.
- Designates travel insurance as inland marine insurance for purposes of rates and forms.

### **Electronic signatures**

- Allows insurers to comply with any signature requirement via an electronic signature.

### **Unfair and deceptive practices**

- Designates offering “free” insurance as an inducement to purchasing another policy of insurance as an unfair and deceptive practice.
- Authorizes insurers to offer free “value-added” products that meet specified requirements as an incentive to purchase insurance.
- Authorizes insurers to offer noncash items, such as meals or charitable donations made on behalf of the consumer, as an incentive to purchase insurance.
- Allows insurers to conduct raffles or drawings to the extent permitted by state law.

### **Insurance holding companies**

- Provides for a group capital calculation requirement to be imposed on insurance holding companies as a way of assessing the ratio of assets to liabilities across the entire holding company.
- Imposes a liquidity stress test requirement as a way of predicting how insurers would fare under various stresses, given the insurer’s allocation of assets.
- Adds to the standards imposed on transactions to which insurance holding companies are a party relating to bonds, information held by affiliates, proprietary documents, confidential information, and information sharing.

## Nonforfeiture amount

- Reduces the minimum interest rate used to calculate the nonforfeiture amount on annuities that have yet to payout any amounts, from 1% to 0.15%.

## Title insurance joint ventures

- Revises the law stipulating that, if a title agency that is a joint venture is set to dissolve or terminate on a specified date, all members of the joint venture must be allowed to join any successor joint ventures, to provide that the percentage of ownership in the successor must not be based on the percentage of title insurance business referred to the original joint venture.

## S.B. 273

**Primary Sponsors:** Sens. Hottinger and Hackett

**Effective date:** September 13, 2022

## Ohio Life and Health Insurance Guaranty Association

- Expands Ohio Life and Health Insurance Guaranty Association coverage to include health insuring corporations and claims made by health care practitioners.
- Expands Association coverage to include owners of unallocated annuity contracts when certain criteria are met.
- Expands the types of contracts and policies that are explicitly excluded from Association coverage.
- Increases the coverage cap for unallocated annuity contract holders that are not participants in a governmental retirement plan, from \$1 million to \$5 million.
- Revises the actions the Association is authorized to take regarding impaired and insolvent insurers.
- Repeals the requirements the Association must follow when a member insurer is an impaired foreign or alien insurer.
- Authorizes the Association, within 180 days of an order of liquidation, to succeed to the rights and obligations of the ceding member insurer that relate to policies, contracts, or annuities covered, in whole or in part, by the Association.
- Removes the cap of \$200 per member insurer per calendar year imposed on nonprorated assessments.
- Specifies how Class B assessments are to be allocated between Association life and health insurance accounts.
- Establishes a process by which Association members may protest an assessment.
- Increases the maximum additional assessment the Association can impose on member insurers when current assessments are insufficient to meet Association obligations.

- Removes the Association board’s authority to request the Superintendent of Insurance to order an examination of any member insurer that the board in good faith believes may be an impaired or insolvent insurer.
- Removes the board’s authority to prepare, at the completion of an insolvency, a report bearing on the causes and history of the insolvency.
- Removes the requirement that a member insurer disclose via a notice when a policy it issues is excluded from coverage by the Association.
- Allows insurers that are exempt from premium or franchise taxes to recoup their Association assessments by a surcharge on premiums.
- Excludes, with respect to multiple nongroup policies of life insurance owned by one owner, premiums in excess of \$5 million from the definition of “premium,” thereby potentially reducing the assessment amounts the Association charges members.

### **Alternative retirement plan distributions**

- Permits an alternative retirement plan (ARP) provided by a public college or university to pay a benefit or make a payment to a participant who is still working for the institution at the time the participant must begin receiving minimum distributions by federal law.
- Specifies that an ARP provider is not required to obtain the consent of a participant’s spouse before making minimum distributions required by federal law.