

Rule Summary and Fiscal Analysis

Part A - General Questions

Rule Number: 3901-6-08
Rule Type: No Change
Rule Title/Tagline: Variable life insurance.
Agency Name: Department of Insurance
Division:
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I. Rule Summary

1. **Is this a five year rule review?** Yes
 - A. **What is the rule's five year review date?** 8/30/2018 and 08/30/2023
2. **Is this rule the result of recent legislation?** No
3. **What statute is this rule being promulgated under?** 119.03
4. **What statute(s) grant rule writing authority?** 3901.041
5. **What statute(s) does the rule implement or amplify?** 3907.15, 3911.01
6. **What are the reasons for proposing the rule?**

This rule is being reviewed as a part of the agency five year rule review.

7. **Summarize the rule's content, and if this is an amended rule, also summarize the rule's changes.**

The purpose of this rule is to provide clarification and guidance; and to establish standards regarding fixed premium and flexible premium variable life insurance policies; for compliance with the requirements in sections 3907.152 and 3911.01 of the Revised Code. The department is not proposing changes for this rule.

8. **Does the rule incorporate material by reference?** No

9. If the rule incorporates material by reference and the agency claims the material is exempt pursuant to R.C. 121.71 to 121.76, please explain the basis for the exemption and how an individual can find the referenced material.

Not Applicable

10. If revising or re-filing the rule, please indicate the changes made in the revised or re-filed version of the rule.

Not Applicable

II. Fiscal Analysis

11. As a result of this proposed rule, please estimate the increase / decrease in revenues or expenditures affecting this agency, or the state generally, in the current biennium or future years. If the proposed rule is likely to have a different fiscal effect in future years, please describe the expected difference and operation.

This will have no impact on revenues or expenditures.

0.00

Not applicable.

12. What are the estimated costs of compliance for all persons and/or organizations directly affected by the rule?

Not applicable.

13. Does the rule increase local government costs? (If yes, you must complete an RSFA Part B). No

14. Does the rule regulate environmental protection? (If yes, you must complete an RSFA Part C). No

III. Common Sense Initiative (CSI) Questions

15. Was this rule filed with the Common Sense Initiative Office? Yes

16. Does this rule have an adverse impact on business? Yes

- A. Does this rule require a license, permit, or any other prior authorization to engage in or operate a line of business? Yes

The rule requires prior authorization from the superintendent to engage in business in Ohio. Failure to comply with provisions detailed in the rule could result in disapproval of material filed with the superintendent.

B. Does this rule impose a criminal penalty, a civil penalty, or another sanction, or create a cause of action, for failure to comply with its terms? Yes

The superintendent is permitted to refuse an agent's application to sell variable life insurance products. The superintendent may also suspend, revoke or choose not to renew their qualification.

C. Does this rule require specific expenditures or the report of information as a condition of compliance? Yes

Insurers authorized to transact the business of variable life insurance must submit an annual statement and any forms and information that are to be provided to policy holders. Insurers must also furnish applicable forms and information to policy holders.