

OHIO INSURANCE DEPARTMENT REVIEW REQUIREMENTS CHECKLIST

LINES OF BUSINESS:
Personal Auto

LINE OF INSURANCE:

Private Passenger Auto (PPA)
Recreational Vehicle (RV)
Motorcycle
Other

CODES:
19.0000
19.0001
19.0002
19.0003
19.0004

REVIEW REQUIREMENTS	REFERENCE	DESCRIPTION OF REVIEW STANDARDS REQUIREMENTS	LOCATION OF STANDARD IN FILING
GENERAL REQUIREMENTS (FOR ALL FILINGS)			
FILING SUBMISSION	ORC 3937.03 (A)	FILING STANDARDS - FILE & USE - Requires that every form of a policy, endorsement, rider, manual of classification, rules and rates to be filed. This includes applications, declarations pages, UM/UIM rejection/lower limit selection form, and cancellation/nonrenewal notices.	
	OAC 3901-1-57 Bulletin 2010-8	MANDATORY USE OF SERFF EFT FOR PRODUCT FILING SUBMISSIONS – Fees for rate, rule and form filings must be submitted via the SERFF EFT functionality when the filing is submitted to the Department.	
	Bulletin 2009-11	MANDATORY USE OF SERFF FOR PRODUCT FILING SUBMISSIONS – All entities required to submit rate, rule and form filings through System for Electronic Rate and Form Filings (SERFF).	
	Bulletin 91-1	LOSS COST FILING PROCEDURES - Rating bureaus develop and file, for review or approval, advisory prospective loss costs and supporting actuarial and statistical data. Each insurer must individually determine and file the rates it will use as a result of its own independent company decision-making process. Ohio's bulletin is based on the NAIC loss cost model and uses the NAIC loss cost forms.	
	Bulletin 2000-2	MULTIPLE LINE PACKAGES & PROGRAMS - Multiple line packages and programs will be considered under the "file and use" provision of ORC 3937, unless otherwise designated by the insurer making the filing. Package Policy or Program filings that contain both a property and liability component (HO or CMP) are no longer subject to a 30 day waiting period. The Package Policy or Program can be used when the filing is received by the Department.	
	ORC 3937.03 (A)	PUBLIC RECORDS - FILE & USE - A filing becomes a public record upon receipt by the Department or, if later, the requested effective date of the insurer.	
	ORC 3937.12	STATISTICAL REPORTING - For new program filings, the insurer must designate a statistical agent to whom they will report their loss experience. Ohio's designated statistical agents are: American Association of Information Services (AAIS), Independent Statistical Services, Inc. (ISS), Insurance Services Office (ISO) and National Independent Statistical Services (NISS).	

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FORMS			
ACCESS TO COURTS	ORC 3927.03	Any insurer conducting business in Ohio must consent to have suit brought against it in an Ohio court.	
APPLICATIONS	ORC 3999.21	FRAUD WARNING REQUIRED - An application or an addendum to an application shall clearly contain a fraud warning substantially as follows: Any person who, with intent to defraud or knowing that he is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement is guilty of insurance fraud. This is suggested language. Any language that is substantially similar is acceptable if it does not contain specific fines or penalties.	
	Bulletin 92-3		
	ORC 3937.37	INSURED DISCLOSURE LIMITATIONS - An insurer on its application cannot require an applicant to disclose any refusal or cancellation of automobile insurance.	
CANCELLATION/NONRENEWAL	ORC 3937.31	CANCELLATION REASONS - Policies in effect 90 days or more can be cancelled only for the following reasons: material misrepresentation; driver's license of named insured or principal operator suspended, revoked or expired, however, the insurer shall continue the policy in effect but exclude by endorsement all coverage as to the person whose drivers license has been suspended, revoked or has expired if he is other than the named insured or principal operator; place of residence or state of registration or license of automobile is changed to a state or country which insurer is not authorized to write auto coverage; nonpayment of premium.	
	ORC 3937.32	CANCELLATION DAYS & NOTICE CONTENT - A 10 day notice is required for nonpayment or if the policy is in effect less than 90 days. All other permissible reasons require a 30 day notice. The notice must contain the policy number; date of the notice; effective date of cancellation; the reason for cancellation and the information upon which it is based or a statement that an explanation will be furnished 5 days after the insured's request; a statement that if the insured believes that the cancellation is based on erroneous information or contrary to law or policy terms then the insured is entitled to have the matter reviewed by the Ohio Department of Insurance.	
	ORC 3937.33		
	ORC 3929.19	INSURED'S RIGHT TO CANCEL - Requires every policy to have language allowing the policy to be cancelled upon the written request of the insured.	
	ORC 3937.34	NONRENEWAL DAYS & NOTICE CONTENT - Policies being nonrenewed by the insurer require a 30 day notice. The notice must contain the policy number, date of the notice, the policy expiration date and the reason for nonrenewal and the information upon which it is based or a statement that an explanation will be furnished 5 days after the insured's request.	
	ORC 4509.01	POLICY CANCELLATION AFTER INJURY - The liability of the insurer shall become absolute whenever injury or damage occurs that is covered by a policy that has been certified by the registrar of motor vehicles (SR 22) and the policy shall not be cancelled or voided by any agreement between the insurer and the insured.	
	ORC 4509.46		
	ORC 4509.47		
	ORC 4509.53		
	ORC 3929.20	PREMIUM REFUND - For policies cancelled by the insured, the insurer may retain customary short rates for the time the policy has been in force and return to the insured the policy's unearned premium.	
	ORC 3929.22		
	ORC 3937.31	ONE YEAR GUARANTEE - Every automobile insurance policy shall be issued for a period of not less than one year or guaranteed renewable for successive policy periods totaling not less than one year. The commencement of each period brings into existence a new contract of automobile insurance, whether the policy is categorized as a new policy of insurance or a renewal of an existing policy. The guarantee period is not limited solely to the first year following the initial institution of coverage.	

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DISCRIMINATION	ORC 3937.39	CANCELLATION OR REFUSAL BECAUSE OF NATIONAL ORIGIN, CREED OR RACE PROHIBITED - No insurer shall cancel, or refuse to write or renew, any automobile policy solely on the basis of national origin, creed, or race of the insured or applicant.	
	ORC 3937.38	FAILURE TO RENEW BECAUSE OF AGE PROHIBITED - No Insurer shall fail to renew an automobile insurance policy solely because of the age attained by the insured.	
	ORC 4515.02	GUEST PASSENGER LIABILITY - Ohio Supreme Court declared Ohio Guest Passenger Statute unconstitutional in 1975. Every owner's and operator's policy must include liability protection for the insured as to passengers. There shall be no separation of limits of liability between the passenger hazard and all other liability.	
GROUP POLICIES	OAC 3901-1-31	Limited only to those types of insurance that permit the employer's contribution to be tax deductible and the premium excluded from the gross income of the employee.	
LIMITS	ORC 3937.44	BODILY INJURY TO ONE PERSON TREATED AS SINGLE CLAIM - A liability policy may include a provision that all claims arising out of one person's bodily injury, including death, is a single claim and is subject to the policy limit.	
PUNITIVE DAMAGES	ORC 3937.182	Coverage for punitive and exemplary damages is prohibited. Ohio will accept forms with coverage for punitive and exemplary damages in policies for multi-state risks as long as the language is clear that coverage does not apply to Ohio.	
UNSURED/UNDERINSURED MOTORISTS	ORC 3937.18	Any policy issued for a motor vehicle insuring against loss from bodily injury liability may, but is not required to, include uninsured motorist coverage, underinsured motorists coverage, or both uninsured and underinsured motorist coverage. The policy may include terms and conditions requiring that each claim for UM coverage, UIM coverage, or both UM & UIM coverage be brought within 3 years of the date of the accident causing the bodily injury or within 1 year after the liability insurer of the uninsured or underinsured motorist becomes insolvent, whichever is later.	
	ORC 3937.181	UM property damage liability is required to be offered on policies that include uninsured motorist coverage, underinsured motorist coverage or both uninsured and underinsured motorist coverage for those vehicles for which collision coverage is not provided. Coverage need not exceed \$7500 and is subject to a maximum \$250 deductible.	
INTRAFAMILY EXCLUSION	ORC 3937.18 ORC 3937.46	An amendment to section 3937.18 of the Ohio Revised Code (ORC) and the enactment of ORC 3937.46 restricts the application and enforceability of intra-family exclusions in motor vehicle insurance policies with respect to claims or suits for damages made against the owner or operator under Chapter 2125 of the Ohio Revised Code.	
RATES & RATING PLANS			
CATASTROPHE HAZARD	ORC 3937.02 (A) (5)	Actuarial Standards Board Standard of Practice No.39 Treatment of Catastrophe Losses in Property/Casualty Insurance Ratemaking - Due consideration should be given to the identification of catastrophe perils or events, the identification of catastrophe losses, the data used in determining a provision for catastrophe losses, the use of non-insurance data and models, the provision for catastrophe losses and loss adjustment expense.	
CREDIBILITY	ORC 3937.02 (A) (1) & (A) (3)	Actuarial Standards Board Standard of Practice No. 25 Credibility Procedures Applicable to Accident and Health, Group Term Life, and Property/Casualty Coverage - Credibility procedures should produce results that are reasonable, do not tend to materially bias results, are practical to implement, and give consideration to the need to balance responsiveness and stability.	

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CREDIT REPORT SCORING	3901-1-55	Insurers must file all risk classification criteria and rating rules that use credit history or credit scores. The filing must establish that credit history and credit scores used in underwriting or rating determinations are valid risk characteristics and are used in accordance with actuarial principles and standards of practice. If a consumer has no available credit history or has insufficient credit history to create a credit score, the consumer must be underwritten and rated in accordance with actuarial standards. If a credit scoring model is modified or if its use in determining rates or rating plans changes, the insurer must re-file classification criteria and rating manuals, and must re-establish that the credit scores are valid risk characteristics used in accordance with actuarial standards. Insurers may not use credit history or credit scores for arbitrary, capricious or unfairly discriminatory purposes. The credit score or credit history may not be based on race, color, religion, national origin, sex, marital status, handicap, or age.	
DISCOUNTS	ORC 3937.43	Premium reduction permitted for drivers sixty years of age or more completing accident prevention course.	
DISCRIMINATION	ORC 3901.21 (M)	Prohibits unfair discrimination between individuals of the same class and essentially the same hazard in the amount of premium, policy fees or rates charged for any policy or contract of insurance.	
EXPENSES	ORC 3937.02 (A), (B), (C) & (D)	Actuarial Standards Board Standard of Practice No. 29 Expense Provisions in Property/Casualty Insurance Ratemaking - Due consideration should be given to categorization of expenses, methods to determine expense provisions, start-up costs, expense trending, policyholder dividends, residual market and statutory assessment, and reinsurance.	
INDIVIDUAL RISK RATING	Bulletin 2000-3	The policy and all supporting documentation used to write the risk shall be maintained by the insurer for inspection by the superintendent, upon request, for a period of not less than 3 years. Special Filings and Excess Rate Consent Filings are permissible for those individual risks that have unique characteristics that are not contemplated by the company when developing the rate for the average risk in that class.	
LIMITS	ORC 4509.01 (K) ORC 4509.20 (A)	Policy limits lower than the financial responsibility limits are not permitted.	
RATEMAKING GENERALLY	ORC 3937.02 (A) (2) & (A) (3)	DATA QUALITY - Actuarial Standards Board Standard of Practice No. 23 Data Quality - Data should be selected with due consideration to such matters as appropriateness, reasonability, comprehensiveness, internal and external consistency, limitations of the data, assumptions needed to use the data, cost and feasibility of alternatives, sampling methods, the use of imperfect data, and the extent of reliance on data supplied by others.	
	ORC 3937.03 (A)	DOCUMENTATION & DISCLOSURE - Actuarial Standards Board Standard of Practice No. 41 Documentation and Disclosure in Property and Casualty Insurance Ratemaking, Loss Reserving, and Valuations - Documentation should be sufficient for another actuary practicing in the same field to evaluate the work.	
	ORC 3937.02 (A), (B), (C) & (D)	GENERAL REQUIREMENTS - Actuarially sound rates meet the general requirements. Rates should result from an analysis of the company's own data, with consideration given to marketing and underwriting strategies, company operations, systems and policy writing constraints, targeted rates of return, and all other pertinent information.	
	ORC 3937.03 (A)	SUPPORT - The information submitted should be sufficient to explain, support, and demonstrate the derivation of new rates or changes to existing rates and the impact to the company's book of business in the state. The supporting information should be consistent with the principles and standards set out below.	

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RATEMAKING GENERALLY – cont'd	ORC 3937.03 (A)	STATUTORY REQUIREMENT - Casualty Actuarial Society Statement of Principles Regarding Property/Casualty Insurance Ratemaking - A rate is reasonable and not excessive, inadequate, or unfairly discriminatory if it is an actuarially sound estimate of the expected value of all future costs associated with an individual risk transfer. Due consideration should be given to such items as: exposure units, data, homogeneity, credibility, loss development, trends, catastrophes, policy provisions, mix of business, reinsurance, operational changes, external influences, classification plans, individual risk rating, risk, investment and other income, and actuarial judgment.	
	ORC 3937.02 (A) (9)	CASH FLOW TESTING - Actuarial Standards Board Standard of Practice No. 7 Performing Cash Flow Testing for Insurers - Due consideration should be given to allocation of assets, the number and range of scenarios, asset characteristics, investment strategy, obligation characteristics, management policy, sensitivity testing, internal consistency, and external requirements.	
	ORC 3937.02 (A) (9)	USING MODELS - Actuarial Standards Board Standard of Practice No. 38 Using Models Outside the Actuary's Area of Expertise (Property/Casualty) - Due consideration should be given to appropriate reliance on experts, model components, user input, model output, appropriateness of the model for the intended application, and validation of input and output.	
	ORC 3901.21	TERRITORY DEFINITIONS - No insurer shall charge different premium rates to persons based solely on the location of the residence of the insured. Territory definitions by zip code are permitted.	
RISK CLASSIFICATION	ORC 3937.02 (C)	Actuarial Standards Board Standard of Practice No. 12 Concerning Risk Classification - Due consideration should be given to the methods used to demonstrate cost differences, causality, objectivity, practicality and cost effectiveness, anti-selection, statutes, regulations, adjudication, industry practices, operating environment, data, and the applicability of the risk classes.	
SURCHARGES	ORC 3937.41	EMERGENCY VEHICLES - It is not permissible to surcharge a policy because of the policyholder's involvement in an accident while in his official duties as a law enforcement officer, fire fighter, emergency vehicle operator.	
	ORC 3937.22	RESTRICTION ON PREMIUM INCREASE BASED ON SINGLE MOTOR VEHICLE ACCIDENT - It is not permissible to increase cost of policy because of a single accident during the policy period when the insured's action is not the proximate cause of loss and when the insured has not been convicted of a violation. Additional guidance at http://insurance.ohio.gov/Company/Documents/PC%20State%20Message%20Re%20NAFs%20%2007_02_13.pdf	
	ORC 3937.23	RESTRICTION ON PREMIUM INCREASE BASED ON ACCIDENTS WITH UNINSURED OR UNDERINSURED MOTORISTS - It is not permissible to increase the cost of a policy because of an accident with an uninsured or underinsured motorist when the insured's action is not the proximate cause of loss and when the insured has not been convicted of a violation. Additional guidance at http://insurance.ohio.gov/Company/Documents/PC%20State%20Message%20Re%20NAFs%20%2007_02_13.pdf	
TRENDING	ORC 3937.02 (A) (1), (A) (2) & (A) (3)	Actuarial Standards Board Standard of Practice No. 13 Trending Procedures in Property/Casualty Insurance Ratemaking - Trending procedures should appropriately reflect projected changes in such components as claim costs, claim frequencies, expenses, exposures, and premiums. Due consideration should be given to model selection, the purpose of the trending procedure, historical insurance data, non-insurance data, economic and social influences, and informed judgment.	
UNDERWRITING PROFIT & CONTINGENCIES	ORC 3937.02 (A) (6)	Actuarial Standards Board Standard of Practice No.30 Treatment of Profit and Contingency Provisions and the Cost of Capital in Property/Casualty Insurance Ratemaking - Due consideration should be given to estimation methods, the basis for the cost of capital, estimates of future costs, the parameters of the risk transfer, investment income, income taxes, contingency provision, and consistency of accounting rules.	