Ohio Sunset Review Committee
Agency Questionnaire

Agency Name Board, The Ohio Commercial Insurance Joint Underwriting As

Point of Contact George McNab, ODI

Agency's primary purpose and its various goals and objectives

The Ohio Commercial Insurance Joint Underwriting Association was created to provide a mechanism for offering a commercial insurance product in the event of a widespread lack of market for a particular class of commercial insurance. When activated, membership in the Association is required by all insurers writing commercial insurance in Ohio. The Board can be activated only by rule of the Superintendent upon a finding that the need exists for a particular class of insurance and that the lack of market for that class of insurance threatens continued operations of the affected entities and thereby may be detrimental to the general welfare of the public.

If such a market need is determined, and a rule is promulgated, the Board would then be formed. Upon forming, the Board is then required to submit a plan of operation for setting underwriting standards, rates, and application procedures for the designated insurance product.

Agency's past and anticipated workload, number of staff required to complete workload, and total number of staff

The Board has not been activated as there has not been a widespread need of market for a particular class of insurance that has not otherwise been resolved. There has thus been no staff or material resources required.

If the Board is activated it is anticipated it would employ staff members to administer the insurance program developed, as well administrative work such as providing an annual report to the Superintendent.

There is no current anticipation of activating the Board.

Agency's past and anticipated budgets and its sources of funding

Since the Board has not been activated, there is no prior budget. The primary source of funding is through the stabilization reserve fund created in the statute that created the Board. Each policyholder shall pay a stabilization reserve fund charge equal to twenty percent of annual premium.

Additionally, the commercial insurance members must share the expenses, deficits and losses in proportion to the direct premiums written in Ohio by all members of the associations. This is accomplished through assessments of member insurance companies.

Number of members of its governing board or other governing entity and their compensation, if any

There are no current members as the Board has not been activated. The board of governors of the association would consist of eleven members appointed by the superintendent of insurance, eight of whom shall be selected from the members of the joint underwriting association. Five members shall be selected from commercial insurers domiciled in this state. Three members shall be selected from commercial insurers domiciled outside of this state. One member shall be an insurance agent licensed and writing commercial insurance in this state. Two members shall be commercial insurance policyholders and shall not have any relationship with an insurance company or an insurance agent except as a purchaser of commercial insurance. The board of governors serve a term of one year. The board members serve without compensation, but are reimbursed for their expenses incurred in the discharge of their duties.

Additional notes

Although not currently active, this board/association represents an important consumer protection tool for the Department. This tool will allow the Department to move quickly if or when a lack of a particular insurance market would adversely impact the operations of consumers or would be detrimental to the general public.