



**Rules for License,  
CE Conversion  
Process Being  
Considered**

The Ohio Department of Insurance (ODI) is currently developing administrative rules to govern how agent licensing changes from the recently passed House Bill 300 will be applied. For example, the rules will determine how agents will convert from the old license renewal process to the new system where they must proactively renew their license by the last day of their birth month every two years, and how the increase in CE hours from 20 to 24 per compliance period will

coincide with the new process.

**When Your License Will Renew:**

Compliance Period Ending Dec. 31, 2010

Birthday between January – May: Must renew by June 30, 2011

Birthday between June – December: Must renew by the last day of birth month in 2011

Compliance Period Ending Dec. 31, 2011

All agents must renew by the last day of their birth month in 2012.

**Note:** Agents with a compliance period end date of Dec. 31, 2010 should plan on having their regular 20 hours of required CE completed by Dec. 31, 2010 to avoid extension fees. After the 2011 license renewal cycle, agents will be required to complete 24 hours of CE before renewing their license.

These rules must go through a formal process before they can be adopted. The process began when they were filed with the Joint Committee on Agency Rule Review (JCARR) on May 18. The rules will receive a public hearing and a JCARR hearing before they can be finalized. It is expected they will become effective sometime in August. Once they become effective, ODI will send correspondence to all agents regarding the new renewal procedures and compliance period changes and will also publish the compliance period transition schedules and rules at [www.insurance.ohio.gov](http://www.insurance.ohio.gov).

ODI continues to hold meetings to discuss the license conversion process with interested parties, as well as other issues, such as the possibility of offering CE credit for active participation in professional associations. The department is also exploring how CE credit can be offered through distance learning, in addition to the current methods available.

PIA is actively involved in the rule process to ensure that agents' practical business needs are considered. PIA will continue to communicate updates on the status of the license conversion rules. In addition, to ensure you receive all official information from ODI, make sure your biographical information is current with the department. To

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update your information, visit <https://secured.insurance.ohio.gov/agent/scripts/AgentAddressCheck.asp>. Look for PIA to distribute fact sheets, post information at [www.ohiopia.com](http://www.ohiopia.com) and host informational meetings.

If you have any questions, please contact PIA's Public Affairs Team at (800) 555-1742 or [publicaffairs@ohiopia.com](mailto:publicaffairs@ohiopia.com).

## U.S. Senate Passes Financial Reform

On May 20, the U.S. Senate passed legislation to overhaul the financial-services industry. Most importantly, the measure leaves insurance regulation to the states. "While not perfect, this bill recognizes that the insurance industry did not cause the financial crisis, and it appropriately

directs reforms to the sectors of our economy that did cause the crisis," said PIA National Executive Vice President and CEO Leonard Brevik.

The key elements of the Wall Street Reform and Consumer Protection ACT (H.R. 4173) include provisions giving the Federal Reserve Board the authority to regulate insurers under certain extraordinary circumstances and the establishment of an Office of National Insurance (ONI) with power to pre-empt state law in negotiating bilateral trade pacts regarding insurance with foreign countries.

The House of Representatives passed their version of financial reform last year, which also retained state regulation of insurance. Both the House and Senate bills exempt insurance activities from oversight by a new Consumer Financial Protection Agency and give the ONI the authority to compile data on insurance companies and the industry itself in both versions of the bill.

A significant difference between the House and Senate bills is that the House bill sets up a \$150 billion fund to be pre-funded by all financial institutions. The fund would be utilized to pay for the resolution of a troubled financial institution that poses a systemic risk to the financial system. Insurers are lobbying for a provision to be exempt from this in the final version of reform, since they already pay into the state guaranty fund system.

The House and Senate versions must now be reconciled before a bill can be sent to the president.

## Discussions Continue Regarding New York's Agent Compensation Disclosure Rules

PIA of New York has continued discussions with the New York State Insurance Department (NYSID) regarding proposed compensation disclosure rules for agents and brokers. The rules have been drafted for several years and stem from the result of an investigation in 2004 that found some brokers who were placing commercial insurance were taking kickbacks for steering clients to insurers involved in a price fixing ring. The proposed regulations would require producers to

describe to consumers their role in the transaction and how they get paid. If a client requests it, more detailed information would have to be provided about compensation.

While a lawsuit has been filed by several groups to block the implementation of the rules, PIA of New York is continuing to work with the NYSID to ensure the new requirements will be as simple as possible for agents to comply should the lawsuit be unsuccessful. In their most recent discussions, an agreement was reached on disclosure language, in addition to agreements on other areas of concern.

The regulations are set to take effect Jan. 1, 2011.



**Ohio Supreme Court Upholds Introduction of Medical Write-Offs as Evidence**

The Ohio Supreme Court recently upheld the practice of introducing medical write-offs as evidence in trials. Medical write-offs result when a medical provider accepts a lower amount than the original amount billed.



The case the court heard came from a Lucas County trial in which the jury was only able to consider the higher amount the medical providers billed, not the lower amount accepted as full payment. Both the trial judge and the appeals court ruled that evidence of the write-offs was barred under the state's collateral source law. The Ohio Supreme Court disagreed, and sent the case back for further proceedings. Justice Paul Pfeifer dissented, saying he would have affirmed the appeals court finding.

If the Ohio Supreme Court would have rejected the introduction of medial write-offs, compensation for trial lawyers would have increased because juries would be banned from learning the actual payment amount a medical provider agreed to accept, which is often less than the amount that is billed. This would lead to juries overcompensating plaintiffs, which would ultimately drive up insurance premiums.

**Make a Difference for Your Agency: Complete PIA's Insurance Company Satisfaction Survey**

On June 14, PIA mailed its ninth consecutive Insurance Company Satisfaction Survey. The survey is a vital part of PIA's company relations efforts and demonstrates the importance PIA places on agent/carrier relations. Survey results can

help you see how your carriers have performed over the last five years; determine if your carriers are performing above average; or to evaluate carriers before taking on new contracts. To view last year's survey results, visit [www.ohiopia.com](http://www.ohiopia.com).

Each year, companies look at their results very closely to determine how they performed in various areas such as marketing, underwriting and compensation. Survey results have led to companies evaluating the way they do business with you, and ultimately, this feedback helps them make better decisions. Last year, Central Mutual Insurance Co. was anxious for the survey results to learn feedback on a new billing system they had just rolled out.

2010  
Insurance Company Satisfaction Survey

Professional Insurance Agents Association of Ohio, Inc.

Make a Difference for your Agency. Rate your carriers today!

Please complete your confidential survey by July 6, 2010

- Submit your answers online at <https://www.iseure.com/ohiopiasurvey.htm> (you will need your Respondent ID Code listed above in order to access this site)
- Fax completed survey form to (614) 389-3816
- Mail completed survey form to Industry Insights, P.O. Box 4330, Dublin, OH 43016

"The Central Companies uses PIA's *Insurance Company Satisfaction Survey Report* as a key measure to validate our initiatives and system enhancements, like our new billing system," said Pat Jackson, regional vice president at Central Mutual Insurance Co. "The 2009 survey results confirmed the improvements realized by our agency plant, while at the same time helping to quantify our competitive advantage relative to the industry."

PIA's survey is conducted by an independent research firm, so it's completely confidential. **Completing the survey is both fast and easy...it can even be completed online.** Let your carriers know what you think and take time to complete the survey.

**2010 AMPC,  
Sept. 23-24,  
Downtown Columbus**

This year's Agency Management and Profitability Conference (AMPC) will be at a new location, with a new agenda and a

new experience. At this year's convention, held at The Columbus, a Renaissance Hotel, in downtown Columbus, you can experience:

- **Kick-off Luncheon with Keynote Speaker Robert Hartwig**, president of the Insurance Information Institute, who will discuss the economic climate and its impact on the insurance industry.
- **Insurance Industry Panel Discussion** about several state and federal issues facing the insurance industry.
- **Professional Development Sessions** to better your business.
- **Marketplace Exhibit Hall** which features more than 35 exhibitors.
- **PIA Industry Awards Dinner** featuring a prominent keynote speaker.
- **Annual Business Meeting Breakfast and Conferment Ceremony** to listen to the State of the Association Address and honor the newest classes of CIC, CRM and CISR designees.



PIA has events like no other insurance association in the state. Whether you're a veteran agent or a new producer getting into the business, AMPC is the only conference that gives you the most for your money. More information will be available in the coming months or visit [www.ohiopia.com](http://www.ohiopia.com) for the most current information.

**Is Your Name on Our  
Contributors List?**

With the primaries now over, candidates will soon begin to put their campaigns in full swing in anticipation of this fall's election. The stakes are high this year with

# IMPACT

**Insurance for Your Future!**

so many offices up for election. The outcomes of this year's mid-term elections can have a profound impact on the insurance industry. While fundraising for IMPACT, PIA's political action committee, is off to a strong start, it is important we reach our goal so we can provide meaningful support for candidates who share PIA's views on critical issues and support small businesses and the independent agent profession. IMPACT is hoping to contribute more than \$30,000 to the campaigns of deserving candidates in important races over the next several months. While fundraising is only one part of a public affairs strategy, it is an essential component that is necessary for success, just like grassroots organization, lobbying and relationship-building. Is your name on our contributors list?

Our goal is to raise **\$25,000** this year, and we need your help to reach that goal. To date, **\$16,440** has been raised. **Please consider making a contribution immediately to help reach our fundraising goal so we can support worthy candidates facing competitive races this fall.**

PIA would like to thank all our members and staff who have contributed. To view a list of 2010 contributors, visit [www.ohiopia.com](http://www.ohiopia.com).

To make your 2010 contribution to IMPACT, you can mail a personal check to PIA, made payable to IMPACT, or call Carolyn Mangas at (800) 555-1742 to make your contribution over the phone. ***Please remember that corporate contributions are prohibited by law.***

Industry & Company

Notes

**Central's Thompson  
Retires; Ringwald  
Promoted**

Central Insurance Companies recently announced the retirement of **Michael E. Thompson**. He retired in April after nearly 38 years of service with Central Insurance. While he held various positions during his tenure with the company, he served as senior vice president of commercial underwriting from 1985 until his retirement. **Jana L. Ringwald**, CPCU, CIC, was promoted to vice president of commercial underwriting for both Central Mutual and All America, filling the position

vacated by Thompson. She has been with Central Insurance for 28 years, and previously held the position of assistant vice president, commercial underwriting.

**Former Medina Agent  
Receives Seven Year  
Prison Sentence**

The Ohio Department of Insurance (ODI) recently announced that former Ohio insurance agent Damon Bryan of Medina has been sentenced to seven years in prison by Judge Christopher Collier of the Medina County Common Pleas Court after pleading guilty to nine counts of felony theft, which included theft from the elderly.

An ODI investigation revealed that in 2007, Bryan took \$685,000 in unauthorized loans from nine of his clients' annuity policies, deposited it into his account and used the money for his own purposes. Bryan voluntarily surrendered his insurance license in May 2007 and was indicted on 27 felony counts in August 2009 in the Medina County Common Pleas Court. He then fled the country to Mexico, where he was apprehended by U.S. Marshalls in 2009.

**AIMS Society Elects  
2010 Officers**

The American Insurance Marketing & Sales (AIMS) Society recently elected its board of directors and officers to serve three-year terms. PIA member **Michael Herzak**, CPIA, CIC, CRMCS, of Insurance Systems Agency, Inc. was elected to serve as secretary and **Ronald Stauffer**, CPIA, of Phelan Insurance Agency will serve as immediate past president. Elections took place at the Society's 2010 Annual Meeting, held earlier this year.



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Rate your  
carriers.

PIA's Insurance Company Satisfaction Survey gives you the opportunity to provide input on critical issues affecting the insurance industry.

PIA's survey is completely confidential because it is conducted by Industry Insights, an independent research firm. Only the overall results are released to PIA, agents and carriers. It's quick and easy to complete and can even be done online.

Your survey will be mailed June 14, 2010.  
Please complete the survey and  
submit it no later than July 8.