



JOHN R. KASICH

GOVERNOR • STATE OF OHIO

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KASICH SIGNS HB 122: “SURPLUS LINES” INSURANCE LEGISLATION

COLUMBUS – Today Gov. John R. Kasich signed House Bill 122 (Hottinger), legislation continuing Ohio’s involvement in the “surplus lines” insurance market. HB 122 permits the Director of the Ohio Department of Insurance to join a compact if deemed advantageous to the state and harmonizes Ohio insurance law with federal requirements imposed through the Non-Admitted and Reinsurance Reform Act (NRRA), a provision included in the Dodd-Frank legislative package passed by Congress in 2009.

The surplus lines insurance market exists to ensure that hard-to-find coverage not available in the regular insurance marketplace can still be obtained. Unlike licensed insurance, the rates and forms used by surplus lines insurers are not directly regulated by the state unless Ohio is the home state of the insured.

Each year Ohio collects approximately \$27 million from surplus lines premium taxes, and the NRRA requires states to enter into either a compact or multi-state agreement in order to continue collection of surplus lines premium taxes on multi-state risks.

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