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Legislation Affecting Retired Citizens, January 14, 1974

Vern Riffe

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LEGISLATION AFFECTING RETIRED CITIZENSENACTED LEGISLATIONHOUSE BILL 430 (CELESTE)

THE OHIO GENERAL ASSEMBLY HAS PASSED WHAT WELL MAY BE THE BEST AND MOST COMPREHENSIVE IMPROVEMENT OF RETIREMENT BENEFITS IN THE HISTORY OF THE STATE.

MAIN FEATURES OF HOUSE BILL 430:

- LOWERS THE REQUIRED NUMBER OF YEARS A TEACHER MUST HAVE TAUGHT FROM 35 DOWN TO 32 IN ORDER TO QUALIFY FOR FULL RETIREMENT FORMULA BENEFITS.
- INCREASES THE MAXIMUM A TEACHER MAY GET IN RETIREMENT BENEFITS FROM 85% TO 90% OF THE TEACHER'S FINAL AVERAGE SALARY
- INCREASES THE MAXIMUM ALLOWABLE IN DISABILITY RETIREMENT BENEFITS FROM 60% TO 75% OF FINAL AVERAGE SALARY

- IMPROVES RETIREMENT BENEFITS FOR THOSE WHO
RETIRE PRIOR TO 32 YEARS OF SERVICE BUT WITH
25 YEARS OF TEACHING EXPERIENCE
- PERMITS DISABILITY RETIREMENT BENEFITS UPON
THE PRESUMPTION OF TWELVE MONTHS OF CONTINUOUS
DISABILITY INSTEAD OF PERMANENT DISABILITY
AS IN PRESENT LAW
- PERMITS THE PURCHASE OF UP TO THREE YEARS OF
MILITARY SERVICE CREDIT BASED ON THE EMPLOYEE
CONTRIBUTION RATE AT THE TIME THE INDIVIDUAL
ENTERED SERVICE PLUS COMPOUND INTEREST TO
DATE OF APPLICATION
- PROVIDES A \$500 DEATH BENEFIT FOR RETIREES
- GRANTS MILITARY SERVICE CREDIT FOR THOSE WHO
SERVED IN THE AMERICAN RED CROSS IN A COMBAT
ZONE DURING A NATIONAL EMERGENCY
- PERMITS THE RETIREMENT SYSTEM BOARD TO PURCHASE
SOME FORM OF HOSPITALIZATION AND MEDICAL
INSURANCE FOR RETIREES

- ELIMINATES THE REQUIREMENT THAT AN EMPLOYEE MUST HAVE TAUGHT THREE YEARS IN THE LAST TEN IN ORDER TO QUALIFY FOR RETIREMENT FORMULA BENEFITS

(3) SUB. HOUSE BILL 214 (PEMBERTON)

- INCREASES THE MONTHLY BENEFITS OF PERSONS RETIRING BETWEEN JUNE 30, 1968, AND JULY 1, 1971, UNDER THE STATE PENSIONS SYSTEMS
- PROVIDES AN INCREASE OF \$2 PER MONTH TIMES THE NUMBER OF YEARS BETWEEN THE DATE OF RETIREMENT AND JULY 1, 1973. (INCREASE WOULD VARY FROM \$4 AND \$10 PER MONTH)
- DOES NOT PROVIDE ANY RETROACTIVE PAYMENT, BUT PROVIDES FOR THE MONTHLY INCREASE TO START ON THE EFFECTIVE DATE OF THE ACT

(+) 384 HOUSE BILL 384 (MALLORY)

ABOLISHES THE DIVISION OF AGING IN THE DEPARTMENT OF MENTAL HEALTH AND MENTAL RETARDATION AND CREATES THE COMMISSION ON AGING WITH EXPANDED FUNCTIONS.

- NEW COMMISSION WOULD HAVE MANY OF THE RESPONSIBILITIES OF PRESENT DIVISION, INCLUDING:

1. TECHNICAL ASSISTANCE TO PRIVATE NON-PROFIT AND PUBLIC AGENCIES WITH DISSEMINATE INFORMATION REGARDING THE PROBLEMS OF THE ELDERLY.

2. ADMINISTERING FEDERAL FUNDS UNDER TITLE III OF THE OLDER AMERICANS ACT.

- COMMISSION WILL ADMINISTER ALL FEDERAL PROGRAMS RELATING TO THE AGED

- THE COMMISSION WILL COOPERATE WITH FEDERAL, STATE, AND LOCAL AGENCIES. SUCH COOPERATION INCLUDES MAKING STUDIES AND SURVEYS IN THE SPECIAL PROBLEMS OF THE AGED IN THE AREAS OF MENTAL AND PHYSICAL HEALTH, HOUSING, TRANSPORTATION, FAMILY RELATIONSHIPS, EMPLOYMENT, INCOME, VOCATIONAL REHABILITATION, RECREATION AND EDUCATION

- THE COMMISSION IS TO AID IN THE ESTABLISHMENT OF PROGRAMS AND SERVICES ON A LOCAL LEVEL TO ENABLE THE AGED TO PARTICIPATE MORE FULLY IN FAMILY AND COMMUNITY LIFE
- THE COMMISSION SPONSORS VOLUNTARY COMMUNITY REHABILITATION AND RECREATIONAL FACILITIES FOR THE IMPROVEMENT OF THE GENERAL WELFARE OF THE AGED
- THE COMMISSION IS REQUIRED TO COORDINATE EXISTING SERVICES PROVIDED BY VARIOUS PRIVATE AND GOVERNMENTAL AGENCIES
- THE COMMISSION IS AUTHORIZED TO PROVIDE CONSULTANTS FOR AGENCIES, ASSOCIATIONS, AND INDIVIDUALS OFFERING SERVICES TO THE AGED

HOUSE BILL 86: BUDGET

- 10% PROPERTY TAX ROLLBACK AMOUNTING TO \$287.2 MILLION
- \$66 MILLION FOR HOMESTEAD EXEMPTION

4
Due 6/28

66 million - Homestead exemption

10% property tax
rollback -
\$287.2
mill

- PEOPLE ELIGIBLE FOR THE EXEMPTION:

THOSE 65 YEARS OF AGE AND OLDER WHO OWN AND
OCCUPY A HOMESTEAD AND HAVE A TOTAL ANNUAL
INCOME OF \$10,000 OR LESS

TABLE FOR EXEMPTIONS

INCOME \$2,000 OR LESS

VALUATION REDUCED BY \$5,000
OR 70%, WHICHEVER IS LESS

OVER \$2,000 TO \$4,000 INCOME

\$5,000 OR 60% OF TAXABLE
VALUE OF HOMESTEAD WHICHEVER
IS LESS

OVER \$4,000 TO \$6,000 INCOME

\$3,000 OR 50% OF TAXABLE
VALUE OF HOMESTEAD WHICHEVER
IS LESS

OVER \$6,000 TO \$10,000 INCOME

\$2,000 OR 40% OF TAXABLE
VALUE OF HOMESTEAD WHICHEVER
IS LESS

PENDING LEGISLATION

HOUSE BILL 529 (P. SWEENEY) (STATUS: HEALTH & WELFARE COMMITTEE)

ESTABLISHES A COUNTY-LEVEL SENIOR CITIZEN'S SERVICES

BOARD.

- COMPOSED OF SEVEN MEMBERS: FIVE APPOINTED BY COUNTY COMMISSIONERS, ONE OF WHICH MUST BE AN EMPLOYEE OF THE COUNTY DEPARTMENT OF WELFARE; TWO APPOINTED BY COUNTY PROBATE JUDGE
- BOARD IS GIVEN LARGE RESPONSIBILITIES INCLUDING THE AUTHORITY TO: 1) INVESTIGATE ANY SENIOR CITIZEN REPORTED TO BE IN NEED OF CARE; 2) PROVIDE CARE THE BOARD CONSIDERS TO BE IN THE BEST INTERESTS OF ANY SENIOR CITIZEN WHOM THE BOARD FINDS IN NEED OF PUBLIC CARE OR SERVICE; 3) COOPERATE WITH AND MAKE ITS SERVICES AVAILABLE TO PERSONS, COURTS, DEPARTMENTS OF PUBLIC WELFARE IN MATTERS RELATING TO THE WELFARE OF SENIOR CITIZENS
- BOARD WOULD HAVE POWER TO:
 - A) PROVIDE TEMPORARY EMERGENCY CARE FOR ANY SENIOR CITIZEN
 - B) ACT WITH THE DIVISION OF AGING TO MEET REQUIREMENTS FOR FEDERAL FUNDING OF THE BOARD'S PROGRAMS

C) ESTABLISH AND COLLECT FEES FOR SERVICES
NEEDED

HOUSE BILL 434 (PEMBERTON) (STATUS: STATE GOVERNMENT)

- PROVIDES AN INCREASE IN THE AUTOMATIC COST OF LIVING PROVISION OF THE STATE RETIREMENT SYSTEMS AND ADDS SUCH A PROVISION TO THE POLICE AND FIREMEN'S DISABILITY AND PENSION FUND AND THE STATE HIGHWAY PATROL RETIREMENT FUND
- THIS BILL RAISES THE AUTOMATIC COST OF LIVING MAXIMUM FROM 1-1/2% TO 5%

ELECTION LAWS

HOUSE BILL 337 (STATUS: SENATE FINANCIAL INSTITUTIONS, INSURANCE & ELECTIONS COMMITTEE)

- PROVIDES FOR HOUSE TO HOUSE VOTER REGISTRATION
- ELIMINATES FAILURE TO VOTE AS A REASON FOR CANCELLING REGISTRATION

HOUSE BILL 122 (STATUS: STATE GOVERNMENT)

- PROVIDES FOR HOUSE TO HOUSE VOTER REGISTRATION EVERY FOUR YEARS

HOMESTEAD EXEMPTION

HOUSE BILL 271 (MRS. DOUGLAS) (STATUS: REFERENCE)

- EXCLUDES INCREASES IN SOCIAL SECURITY PAYMENTS THAT RESULTED FROM AMENDMENTS TO THE SOCIAL SECURITY ACT ON OR AFTER JANUARY 1, 1972, FROM TOTAL INCOME FOR PURPOSES OF DETERMINING ELIGIBILITY FOR THE HOMESTEAD EXEMPTION

HOUSE BILL 492 (MADDUX) (STATUS: REFERENCE)

- EXCLUDES DISABILITY AND RETIREMENT INCOME FOR PURPOSES OF DETERMINING ELIGIBILITY FOR THE HOMESTEAD EXEMPTION
- MAXIMUM EXCLUSION FOR A YEAR IS \$8,000

SENATE BILL 166 (MATIA) (STATUS: SENATE WAYS & MEANS)

- WOULD GIVE ALL HOMEOWNERS 65 YEARS OF AGE AND OLDER A FLAT \$5,000 HOMESTEAD EXEMPTION ELIMINATING THE DIFFERENT CATEGORIES OF EXEMPTIONS NOW USED

HOUSE BILL 309 (SPECK) (S.B. 125, LUKENS) (STATUS: HOUSE WAYS & MEANS)

- WOULD ALLOW THOSE 65 YEARS OF AGE AND OLDER TO RECEIVE A HOMESTEAD EXEMPTION FOR HOUSE TRAILERS

HOUSE BILL 498 (TABLACK) (STATUS: REFERENCE)

- GIVES ALL HOMEOWNERS 65 YEARS OF AGE AND OLDER
A \$3,000 HOMESTEAD EXEMPTION

SENATE BILL 170 (GILLMOR) (STATUS: SENATE WAYS & MEANS)

- PROVIDES PROPERTY TAX RELIEF FOR OHIOANS
- HOMESTEAD OWNER OR FARMER WHOSE PROPERTY TAXES
EXCEED 4% OF HIS TOTAL HOUSEHOLD INCOME WOULD
RECEIVE INCOME TAX CREDITS FOR THE AMOUNT OVER
THAT PERCENTAGE
- ANY TAXPAYER IN OHIO WHOSE PROPERTY TAXES EXCEED
15% OF THE TOTAL HOUSEHOLD INCOME WOULD RECEIVE
INCOME TAX CREDIT FOR THE AMOUNT THAT EXCEEDS
THAT PERCENTAGE

HOUSE BILL 502 (LEVITT) (STATUS: REFERENCE)

- RAISES THE PERSONAL EXEMPTION FOR STATE INCOME
TAX PURPOSES FROM \$500 A PERSON TO \$1,000 A
PERSON IF THAT PERSON IS 65 YEARS OF AGE OR
OLDER

- TOTAL AMOUNT OF SUCH EXEMPTIONS ON ONE TAX
RETURN SHALL NOT EXCEED \$3,000

HUNTING, FISHING, AND TRAPPING LICENSES

HOUSE BILL 425 (RIFFE) (STATUS: HOUSE STATE GOVERNMENT)

- PROVIDES FREE HUNTING AND TRAPPING AND FISHING
LICENSES FOR THOSE 65 YEARS OF AGE AND OLDER

HOUSE BILL 357 (NORRIS) (STATUS: HOUSE ENVIRONMENT & NATURAL RESOURCES)

- PROVIDES FREE HUNTING AND TRAPPING LICENSES FOR
THOSE 65 YEARS OF AGE AND OLDER

SENATE BILL 115 (MRS. JOHNSON) (STATUS: SENATE AGRICULTURE,
CONSERVATION & ENVIRONMENT)

- PROVIDES FREE HUNTING AND TRAPPING AND FISHING
LICENSES FOR THOSE 60 YEARS OF AGE AND OLDER

SENATE BILL 28 (MUSSEY) (STATUS: SENATE AGRICULTURE, CONSERVATION &
ENVIRONMENT)

- REDUCES RESIDENT HUNTING LICENSE FEES FOR PERSONS
65 YEARS OF AGE AND OLDER

BILLS INTRODUCED THIS YEAR

HOUSE BILL 1034 (J. THOMPSON)

- REDUCES THE NUMBER OF YEARS ON WHICH THE FINAL AVERAGE SALARY OF A PUBLIC EMPLOYEE IS CALCULATED FOR RETIREMENT FROM FIVE TO THREE YEARS

HOUSE BILL 1049 (CELESTE)

- PROVIDES FOR CALCULATING COST OF PURCHASING MILITARY SERVICE CREDIT

HOUSE BILL 1050 (PEMBERTON)

- DECREASES THE NUMBER OF YEARS FROM FIVE TO THREE USED TO COMPUTE FINAL AVERAGE SALARY FOR BENEFITS PAID BY THE STATE HIGHWAY PATROL RETIREMENT SYSTEM

HOUSE BILL 1068 (WILKOWSKI)

- ALLOWS PURCHASE OF SERVICE CREDIT IN POLICE AND FIREMAN'S DISABILITY AND PENSION FUND FOR MILITARY SERVICE PRIOR TO JULY 1, 1973, NOT TO EXCEED THREE YEARS

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THE STATE TEACHERS RETIREMENT SYSTEM OF OHIO
275 EAST BROAD STREET COLUMBUS 43215

INFORMATION ON RETIRED OHIO TEACHERS RECEIVING ALLOWANCE (A) AS OF 08 31 73

| EAR DING G.31 | TOTAL NUMBER RETIRED | NUMBER LIVING 08 31 73 | AVERAGE YEARS SERVICE | AVERAGE AGE 1973 | AVERAGE MONTHLY BENEFIT ORIGINAL | AVERAGE MONTHLY BENEFIT 08 31 73 | INCREASE IN BENEFIT | INCREASE IN COL TO AUG. 1973 |
|------------------|----------------------|------------------------|-----------------------|------------------|----------------------------------|----------------------------------|---------------------|------------------------------|
| 931 | 306 | 1 | 36.90 | 100.0 | \$ 74.14 | \$269.75 | 263.8 % | 196.4 % |
| 932 | 469 | 2 | 37.95 | 98.5 | \$ 51.46 | \$203.76 | 295.9 % | 230.0 % |
| 933 | 471 | 2 | 37.00 | 97.0 | \$ 71.79 | \$262.92 | 266.2 % | 248.3 % |
| 934 | 366 | 2 | 34.30 | 99.5 | \$ 30.42 | \$169.49 | 457.0 % | 237.1 % |
| 935 | 334 | 1 | 22.00 | 99.0 | \$ 17.88 | \$136.72 | 664.6 % | 228.7 % |
| 936 | 320 | 3 | 36.43 | 94.3 | \$ 31.75 | \$175.18 | 451.6 % | 225.3 % |
| 937 | 312 | 3 | 37.13 | 94.6 | \$ 73.10 | \$266.74 | 264.8 % | 214.2 % |
| 938 | 407 | 4 | 28.67 | 95.2 | \$ 50.16 | \$200.00 | 298.6 % | 220.0 % |
| 939 | 409 | 15 | 34.14 | 93.8 | \$ 52.88 | \$217.00 | 310.3 % | 224.6 % |
| 940 | 421 | 15 | 34.74 | 93.2 | \$ 60.06 | \$225.90 | 276.1 % | 221.9 % |
| 941 | 338 | 25 | 31.76 | 93.1 | \$ 53.27 | \$199.66 | 274.7 % | 206.2 % |
| 942 | 246 | 29 | 32.05 | 91.6 | \$ 64.29 | \$216.15 | 236.1 % | 176.6 % |
| 943 | 292 | 29 | 32.48 | 89.9 | \$ 57.14 | \$198.47 | 247.2 % | 160.5 % |
| 944 | 377 | 62 | 34.31 | 90.5 | \$ 65.83 | \$216.31 | 228.5 % | 156.3 % |
| 945 | 683 | 64 | 32.13 | 88.7 | \$ 66.57 | \$216.86 | 225.7 % | 150.6 % |
| 946 | 592 | 95 | 31.70 | 87.8 | \$ 64.81 | \$202.13 | 211.8 % | 131.0 % |
| 947 | 503 | 83 | 31.88 | 86.9 | \$ 81.32 | \$211.56 | 160.1 % | 101.9 % |
| 948 | 512 | 120 | 31.84 | 86.7 | \$ 80.63 | \$194.93 | 141.7 % | 87.5 % |
| 949 | 514 | 136 | 32.46 | 85.6 | \$ 86.11 | \$204.17 | 137.1 % | 89.3 % |
| 950 | 531 | 135 | 31.13 | 84.9 | \$ 83.56 | \$194.48 | 132.7 % | 87.5 % |
| 951 | 456 | 143 | 30.27 | 84.2 | \$ 89.89 | \$187.89 | 109.0 % | 73.6 % |
| 952 | 508 | 154 | 30.91 | 84.1 | \$101.71 | \$203.17 | 99.7 % | 69.8 % |
| 953 | 686 | 261 | 33.96 | 83.4 | \$120.70 | \$232.37 | 92.5 % | 68.6 % |
| 954 | 738 | 336 | 31.76 | 81.9 | \$109.64 | \$212.94 | 94.2 % | 67.8 % |
| 955(B) | 59 | 32 | 26.73 | 80.5 | \$ 89.78 | \$179.37 | 99.7 % | 68.4 % |
| TAL THRU 29-1955 | 10,850 | 1,752 | 32.00 | 85.2 | \$ 91.96 | \$208.35 | 126.5 % | |
| 955(C) | 932 | 303 | 33.38 | 81.5 | \$180.31 | \$269.75 | 49.6 % | 68.4 % |
| 956 | 1,185 | 643 | 33.75 | 81.0 | \$197.83 | \$287.60 | 45.3 % | 65.9 % |
| 957 | 1,051 | 597 | 33.01 | 79.9 | \$198.16 | \$276.77 | 39.6 % | 60.3 % |
| 958 | 1,007 | 621 | 33.43 | 78.9 | \$212.59 | \$286.00 | 34.5 % | 56.0 % |
| 959 | 1,126 | 732 | 32.18 | 77.9 | \$238.82 | \$312.67 | 30.9 % | 54.8 % |
| 960 | 1,638 | 1,152 | 32.35 | 76.3 | \$243.71 | \$311.80 | 27.9 % | 52.4 % |
| 961 | 1,443 | 1,058 | 31.61 | 75.8 | \$249.78 | \$313.66 | 25.5 % | 50.8 % |
| 962 | 1,802 | 1,354 | 31.17 | 74.2 | \$255.08 | \$314.67 | 23.3 % | 49.1 % |
| 963 | 1,803 | 1,458 | 30.53 | 73.2 | \$263.76 | \$318.88 | 20.8 % | 47.2 % |
| 964 | 2,100 | 1,776 | 29.57 | 72.4 | \$257.27 | \$306.20 | 19.0 % | 45.3 % |
| 965 | 1,775 | 1,509 | 28.90 | 71.6 | \$254.60 | \$297.25 | 16.6 % | 42.9 % |
| 966 | 2,107 | 1,862 | 29.86 | 70.6 | \$295.55 | \$328.95 | 11.2 % | 38.9 % |
| 967 | 1,961 | 1,747 | 28.08 | 69.7 | \$281.81 | \$309.58 | 9.8 % | 35.1 % |
| 968 | 2,163 | 1,974(D) | 28.55 | 68.6 | \$325.48 | \$342.57 | 5.2 % | 29.6 % |
| 969 | 2,449 | 2,307 | 28.22 | 67.8 | \$343.51 | \$354.25 | 3.1 % | 23.0 % |
| 970 | 2,554 | 2,438 | 27.93 | 67.0 | \$365.99 | \$371.90 | 1.6 % | 15.5 % |
| 971 | 2,718 | 2,631 | 27.14 | 66.1 | \$391.79 | \$392.25 | .1 % | 10.6 % |
| 972 | 2,966 | 2,916 | 27.35 | 64.9 | \$424.95 | \$425.07 | .0 % | 7.5 % |
| 973 | 2,975 | 2,957 | 26.48 | 63.9 | \$432.56 | \$432.59 | .0 % | .0 % |
| TAL 55-1973 | 35,755 | 30,035 | 29.07 | 70.0 | \$321.03 | \$350.16 | 9.0 % | |

HOUSE BILL 251

SUBCOMMITTEE REPORT:

- All registered vehicles included
- Compulsory liability, medical and rehabilitational care, and lost income coverages
- Policing done by the State
- Primary coverage
- Payment of up to \$10,000 to all victims for reasonable medical, hospital, and rehabilitation expenses
- Payment of lost earned income and expenses incurred for services usually performed by the injured party
- Provision for general damages in the event of death, disfigurement, dismemberment, or permanent total or partial disability, or if basic benefits are exhausted
- No mandated rate reduction
- \$2,500 threshold

COMMITTEE REPORT: (Changes in subcommittee bill)

- Mandates insurance companies cut premiums by 10% for bodily injury and medical payments coverage.
Request does not extend to premiums for collision, property damage and other coverage.
- Repeal of Guest Statute
- Threshold lowered from \$2,500 to \$1,000

FLOOR ACTION: (Changes in committee bill)

- Threshold lowered to \$250 from \$1000
- First party benefits lowered from \$8,000 to \$5,000
- Mandatory premium reduction cut from 10% to 5%

HOUSE BILLS

HOUSE BILL 251 -- KOPP -- IN SENATE FINANCIAL INSTITUTIONS, INSURANCE,
AND ELECTIONS COMMITTEE

- Allows each party to an automobile accident to recover actual damages from his own insurance company without regard to liability in the accident
- Allows court suits for pain and suffering if actual damages exceed \$250
- Mandates a 5% reduction in automobile insurance premiums
- Repeals Ohio's guest statue which protects a driver from being sued by a passenger in his car if the passenger is injured in an accident
- Would make auto insurance mandatory for every vehicle owner

HOUSE BILL 303 -- FIOCCA
HOUSE BILL 478 -- WEYANDT
HOUSE BILL 533 -- NORRIS
HOUSE BILL 540 -- FRIES
HOUSE BILL 576 -- NETZLEY
HOUSE BILL 654 -- MUELLER

ALL SIX ARE IN THE HOUSE INSURANCE, UTILITIES & FINANCIAL INSTITUTIONS
COMMITTEE

SENATE BILLS

SENATE BILL 15 -- MOTT
SENATE BILL 167 -- CORTS
SENATE BILL 196 -- REICHEL

ALL THREE ARE IN THE SENATE FINANCIAL INSTITUTIONS, INSURANCE AND
ELECTIONS COMMITTEE

Speech

Vern Riffe

Mr. Chairman,

and fellow members of the Ohio Association of Insurance Agents. It is extremely appropriate that the panel assembled today give complete ~~complete~~ consideration to the topic under discussion, no-fault auto insurance. All of the speakers on the rostrum today agree that without a doubt this is the most revolutionary change to be considered by the insurance industry in decades. Traditionally the insurance industry has been reluctant to make changes. Since World War II we have seen more changes in our industry both in products and method of doing business than in all the previous years of our industry's history. Don't forget it hasn't been that many years since extended coverage was introduced and replaced the old wind-storm only policy. As older agents will recall this created quite a furor among agents and insureds. What has this to do with no-fault auto insurance? Really not a thing. I only site this specific change to show you how markedly the pace of change has increased in our industry. Also to assure you that this pace of change and the amount of change in our business are very much on the upswing. No-fault auto insurance is the current topical example. Prepaid legal service is another that quickly comes to mind.

As was mentioned in my introduction, I am presently Speaker Pro-Tem of the House of Representatives. This marks my ~~seventh~~ ^{Eight} term in the House. During my ~~six~~ ^{seven} previous terms I had the privilege of serving on the Insurance Committee. This gave me an opportunity to work closely with Doug Avery and many of the members of this Association on numerous legislative matters. We worked together on the present auto cancellation legislation. There was the Fair Plan and the Insolvency Fund bills. More recently there was HB 1010, the Habitual Offender Bill. All of

Calby
see this after you look it over
Yes

these were pieces of progressive legislation which benefited the insurance consumer and general public and were strongly supported by this Association. A very strong effort was put forth to make workmen's compensation competitive. We were not successful in this endeavor. However, it is not a closed issue.

You must be willing to accept changes such as these and you must be willing to work through your Association to shape those changes in such a manner that the insurance industry can continue to prosper and properly serve the insurance buying public. The current no-fault legislation is concrete example of my earlier somewhat philosophical statement. No-fault is not a new subject to the Ohio General Assembly. As early as 1968 I served on a joint House-Senate Insurance Study Committee chaired by Bob Netzley. Even then, no-fault was a topic of general discussion within the Assembly. There was a great deal of interest within the committee concerning possible legislation. At that time it was felt that Ohio would be considering no-fault legislation and substantial effort was spent by committee members in compiling testimony from expert witnesses in order that proper background could be established for possible future legislation. No specific legislation resulted from this joint committee at that time.

With my particular background as a member of the Insurance Committee and with a working knowledge of no-fault, I followed with more than usual interest the hearings and proceedings of the sub-committee on no-fault. Quite frankly I was pleased as the results of their hours of hard work began to take shape. An excellent job of research was done while this bill was being drafted. The average person has no idea of the months of work required to properly research and develop the vast

From the realistic stand point, the bill in its present form can not be allowed to become law. The insuring public would be misled. The insurance industry would find it extremely difficult to live with the present provisions.

Since the bill has passed the House, every effort must be made to obtain a balanced no-fault bill with satisfactory provisions from the Senate and in a conference committee obtain a final bill that provides adequate and genuine no-fault protection for the insurance buying public.

* * *

quantity of information in order to evaluate the facts and then draft a bill of this technical nature. I was even more impressed by the final bill as reported out of the sub-committee. Primarily, because it would do the job I felt the insuring public expected and did it in a realistic manner from the insurance industry point of view. In its final form as submitted by the sub-committee to the full insurance committee it did an excellent job of providing adequate benefits to auto accident victims and did this in such a manner that all available costing information indicated that this balanced package of benefits could be provided at current premiums. There was a strong indication of lower premiums as experience figures became available.

At this point you all are familiar with what happened to the original basic bill in one short week. First, at the final full committee hearing and later on the floor of the House. The basic provisions and benefits were so altered as to make the bill meaningless and ineffectual as well as misleading to the public. Unfortunately, the bill was literally torn to shreds before finally being passed in a form that in no way resembled the original bill. For example - the \$10,000 maximum benefits were reduced to \$5,000. There were no significant cost savings in this reduction. What about the unfortunate individual who has a serious auto accident and really needs the higher limits. The \$2500 threshold was reduced to \$250. This low threshold will absolutely keep no bodily injury claims out of court which is the basic area of cost savings. ~~For good measure,~~ the legislature repealed the guest law which will have to increase the number of potential claims and got into the rate-making field by mandating a 5% reduction for bodily injury and medical payments. Neither of these latter two items had been considered or discussed at the sub-committee or full committee hearings.