



Ohio Revised Code

Section 1753.34 Regulatory action level event.

Effective: March 15, 2001

Legislation: House Bill 714 - 123rd General Assembly

(A) For purposes of sections 1753.31 to 1753.43 of the Revised Code, a "regulatory action level event" is any of the following events:

(1) The filing of an RBC report by a health insuring corporation that indicates that the health insuring corporation's total adjusted capital is greater than or equal to its authorized control level RBC but less than its regulatory action level RBC;

(2) The notification by the superintendent of insurance to a health insuring corporation of an adjustment to the health insuring corporation's RBC report, which adjusted RBC report shows the health insuring corporation's total adjusted capital within the range described in division (A)(1) of this section, provided that the health insuring corporation does not challenge the adjusted RBC report under section 1753.37 of the Revised Code;

(3) The notification by the superintendent to a health insuring corporation, following the hearing required under section 1753.37 of the Revised Code, that the superintendent has rejected the health insuring corporation's challenge to an adjusted RBC report showing the health insuring corporation's total adjusted capital within the range described in division (A)(1) of this section;

(4) The failure of a health insuring corporation to file an RBC report by the first day of March of every year, unless the health insuring corporation has provided an explanation for such failure that is satisfactory to the superintendent and has cured the failure within ten days after the filing date;

(5) The failure of a health insuring corporation to submit an RBC plan to the superintendent within the time period set forth in division (C) of section 1753.33 of the Revised Code;

(6) The notification by the superintendent to a health insuring corporation of both of the following:

(a) The RBC plan or revised RBC plan submitted by the health insuring corporation is unsatisfactory



in the judgment of the superintendent;

(b) The notification by the superintendent constitutes a regulatory action level event with respect to the health insuring corporation, provided that the health insuring corporation does not challenge the determination under section 1753.37 of the Revised Code.

(7) The notification by the superintendent to a health insuring corporation, following the hearing required under section 1753.37 of the Revised Code, that the superintendent has rejected the health insuring corporation's challenge to the superintendent's determination under division (A)(6) of this section;

(8) The notification by the superintendent to a health insuring corporation that the superintendent has determined that the health insuring corporation has failed to adhere to its RBC plan or revised RBC plan, and this failure has had a substantial adverse effect on the ability of the health insuring corporation to eliminate the conditions leading to the company action level event in accordance with its RBC plan or revised RBC plan, provided that the health insuring corporation does not challenge this determination under section 1753.37 of the Revised Code;

(9) The notification by the superintendent to a health insuring corporation, following the hearing required under section 1753.37 of the Revised Code, that the superintendent has rejected the health insuring corporation's challenge to the superintendent's determination under division (A)(8) of this section.

(B) In the case of a regulatory action level event, the superintendent shall do all of the following:

(1) Require the health insuring corporation to prepare and submit an RBC plan or, if applicable, a revised RBC plan;

(2) Perform such examinations and analyses as the superintendent considers necessary of the assets, liabilities, and operations of the health insuring corporation, including a review of the health insuring corporation's RBC plan or revised RBC plan and the results of any sensitivity tests undertaken pursuant to the RBC instructions;



(3) Issue a corrective order, based upon the examinations and analyses performed under division (B)(2) of this section.

(C)(1) The RBC plan or revised RBC plan required by division (B)(1) of this section shall be submitted to the superintendent within forty-five days after the regulatory action level event, except by a health insuring corporation that files a challenge to an adjusted RBC report or revised RBC plan pursuant to section 1753.37 of the Revised Code. If the superintendent determines the challenge is frivolous, the time limit for the submission of the RBC plan or revised RBC plan shall not be altered by the filing of the challenge.

(2) If a health insuring corporation files a nonfrivolous challenge to an adjusted RBC report or revised RBC plan, the RBC plan or revised RBC plan required by division (B)(1) of this section shall only be submitted to the superintendent if the superintendent rejects the challenge following the hearing required under section 1753.37 of the Revised Code. If the superintendent rejects the health insuring corporation's challenge, the RBC plan or revised RBC plan shall be submitted within forty-five days after the superintendent's notification to the health insuring corporation of the superintendent's rejection of the challenge.

(D) The superintendent may retain actuaries, investment experts, and such other consultants, as may be necessary in the superintendent's judgment, to review a health insuring corporation's RBC plan or revised RBC plan, to examine or analyze the assets, liabilities, and operation of the health insuring corporation, and to formulate a corrective order for the health insuring corporation. The fees, costs, and expenses relating to these consultants shall be borne by the affected health insuring corporation.