

Ohio Revised Code Section 3907.20 Valuation of securities.

Effective: August 8, 1991

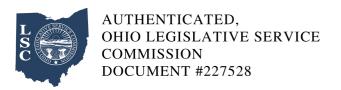
Legislation: Senate Bill 137 - 119th General Assembly

(A) All investments shall be valued in accordance with the valuation standards published by the national association of insurance commissioners.

Securities investments for which the national association of insurance commissioners has not published valuation standards in its valuations of securities manual, or any successor publication, shall be valued as follows:

- (1) All obligations having a fixed term and rate shall, if not in default as to principal and interest be valued as follows:
- (a) If purchased at par, at the par value;
- (b) If purchased above or below par, on the basis of the purchase price adjusted so as to bring the value to par at maturity and so as to yield in the meantime the effective rate of interest at which the purchase was made.
- (2) Common, preferred, or guaranteed stocks shall be valued at their market value.
- (3) Any other securities investments shall be valued in accordance with the rules adopted by the superintendent of insurance under division (C) of this section.

Any other investment, including real property, for which the national association of insurance commissioners has not published valuation standards shall be valued in accordance with the rules adopted by the superintendent under division (C) of this section. Such an investment shall not be valued at more than its purchase price, except that an investment that has been affected by a permanent decline in value shall be valued at not more than its market value. With respect to real property, purchase price includes capitalized permanent improvements, less depreciation spread evenly over the life of the property.



- (B) Any investment, including real property, that is acquired by an insurance company in satisfaction of a debt, or that is otherwise acquired by an insurance company other than by purchase, shall be valued in accordance with the standards set forth in division (A) of this section for that type of investment. For purposes of applying the valuation standards, the purchase price shall be deemed to be the market value less the estimated costs of disposal at the time the investment is acquired or, in the case of any investment acquired in satisfaction of a debt, the amount of the debt, including interest, taxes, and expenses, whichever amount is less.
- (C) The superintendent shall adopt rules in accordance with Chapter 119. of the Revised Code to establish standards for the determination and calculation of values, for purposes of use in statutory financial statements submitted to the department of insurance, for those investments for which the national association of insurance commissioners has not published valuation standards.