



Ohio Revised Code

Section 3956.12 Detection and prevention of insurer insolvencies or impairments.

Effective: September 13, 2022

Legislation: Senate Bill 273 - 134th General Assembly

To aid in the detection and prevention of member insurer insolvencies or impairments:

(A) The superintendent of insurance shall do all of the following:

(1) Notify the commissioners of insurance of all the other states, territories of the United States, and the District of Columbia when the superintendent takes any of the following actions against a member insurer:

(a) Revocation of license;

(b) Suspension of license;

(c) Makes any formal order that such member insurer restrict its premium writing, obtain additional contributions to surplus, withdraw from the state, reinsure all or any part of its business, or increase capital, surplus, or any other account for the security of policyholders, contact owners, certificate holders, or creditors.

Notice under division (A)(1) of this section shall be mailed or delivered by electronic means to all insurance commissioners within thirty days following the action taken or the date on which the action occurs.

(2) Report to the board of directors of the Ohio life and health insurance guaranty association when the superintendent has taken any of the actions set forth in division (A)(1) of this section or has received a report from any other insurance commissioner indicating that any such action has been taken in another state. The report to the board of directors shall contain all significant details of the action taken or the report received from another commissioner.



(3) Report to the board of directors when the superintendent has reasonable cause to believe, from any completed or ongoing examination of any member insurer, that the member insurer may be an impaired or insolvent insurer;

(4) Furnish to the board of directors the national association of insurance commissioners' insurance regulatory information service (IRIS) ratios and listings of companies not included in the ratios developed by the commissioners. The board may use the information contained in this report in carrying out its duties and responsibilities under this section. The report and the information contained in the report shall be kept confidential by the members of the board of directors until such time as made public by the superintendent or other lawful authority.

(B) The superintendent may seek the advice and recommendation of the board of directors concerning any matter affecting the superintendent's duties and responsibilities regarding the financial condition of member insurers and insurers or health insuring corporations seeking admission to transact business in this state.

(C) The board of directors, upon majority vote, may make reports and recommendations to the superintendent upon any matter germane to the solvency, rehabilitation, or liquidation of any member insurer or germane to the solvency of any insurer or health insuring corporation seeking to do business in this state. The reports and recommendations are not public records.

(D) The board of directors, upon majority vote, may notify the superintendent of any information the board possesses that indicates any member insurer may be an impaired or insolvent insurer.

(E) The board of directors, upon majority vote, may make recommendations to the superintendent for the detection and prevention of member insurer insolvencies.