



Ohio Revised Code

Section 3960.03 Requirements for foreign risk retention groups.

Effective: May 26, 2010

Legislation: House Bill 300 - 128th General Assembly

All of the following apply to risk retention groups chartered and licensed in states other than this state, that seek to do business as a risk retention group in this state:

(A) No risk retention group shall offer insurance in this state unless it has submitted to the superintendent of insurance, in a form satisfactory to the superintendent, all of the following:

(1) A statement identifying the state or states in which it is chartered and licensed as a liability insurance company, the date of chartering, its principal place of business, and any other information, including but not limited to, information on its membership, that the superintendent may require to verify that it is qualified under division (J) of section 3960.01 of the Revised Code;

(2) A copy of its plan of operation or a feasibility study and revisions of the plan or study submitted to the state in which the risk retention group is chartered and licensed. Division (A)(2) of this section does not apply to any line or classification of liability insurance that was defined in the federal "Product Liability Risk Retention Act of 1981," 95 Stat. 949, 15 U.S.C.A. 3901, as amended, before October 27, 1986, and was offered before that date by any risk retention group that had been chartered and operating for not less than three years before that date. The risk retention group shall submit a copy of any revision to its plan of operation or feasibility study required by division (A)(2) of section 3960.02 of the Revised Code at the same time that the revision is submitted to the commissioner of insurance of its chartering state.

(3) A statement of registration, for which a filing fee shall be determined by the superintendent, that submits it to the jurisdiction of the superintendent and the courts of this state. The fee shall be paid into the state treasury to the credit of the department of insurance operating fund pursuant to section 3901.021 of the Revised Code.

(B) A risk retention group doing business in this state shall submit to the superintendent all of the following:



- (1) A copy of its financial statement submitted to the state in which the risk retention group is chartered and domiciled, which shall be certified by an independent public accountant and contain a statement of opinion on loss and loss adjustment expense reserves made by a member of the American academy of actuaries or a qualified loss reserve specialist under criteria established by the national association of insurance commissioners;
 - (2) A copy of each examination of the group as certified by the commissioner or public official conducting the examination;
 - (3) Upon request by the superintendent, a copy of any information or document pertaining to any outside audit performed with respect to the group;
 - (4) Any information that may be required to verify, to the superintendent's satisfaction, its continuing qualification as a risk retention group under division (J) of section 3960.01 of the Revised Code.
- (C)(1) Agents or brokers for the risk retention group shall report to the superintendent the premiums for direct business for risks resident or located within this state that they have placed with or on behalf of a risk retention group not chartered in this state.
- (2) The agent or broker shall keep a complete and separate record of all policies procured from each risk retention group, which record shall be open to examination by the superintendent. These records shall, for each policy and each kind of insurance provided, include the following:
 - (a) The limit of liability;
 - (b) The time period covered;
 - (c) The effective date;
 - (d) The name of the risk retention group that issued the policy;



(e) The gross premium charged;

(f) The amount of return premiums.

(D) Every risk retention group that is not chartered in this state shall do both of the following:

(1) On or before the thirty-first day of March, pay to the treasurer of state five per cent of all premiums, fees, assessments, dues, or other consideration for the preceding calendar year for risks resident or located in this state, as calculated on a form prescribed by the treasurer of state. If such tax is not paid when due, the tax shall be increased by a penalty of twenty-five per cent. An interest charge computed as set forth in section 5725.221 of the Revised Code shall be made on the entire sum of the tax plus penalty, which interest shall be computed from the date the tax is due until it is paid. All taxes collected under this section shall be paid into the general revenue fund. For purposes of division (D)(1) of this section, payment is considered made when it is received by the treasurer of state, irrespective of any United States postal service marking or other stamp or mark indicating the date on which the payment may have been mailed.

(2) On or before the thirty-first day of March, file a statement with the superintendent, on a form prescribed by the superintendent, showing the name and address of the insured, name and address of the insurer, subject of the insurance, general description of the coverage, the amount of gross premium, fee, assessment, dues, or other consideration for the insurance, after a deduction for return premium, if any, and any other information the superintendent requires.

(E) The superintendent may examine the financial condition of a risk retention group if the commissioner of insurance in the state in which it is chartered and licensed has not initiated an examination or does not initiate an examination within sixty days after the superintendent has requested an examination. The examination shall be conducted in an expeditious manner and in accordance with the national association of insurance commissioners' examiner handbook.

(F) The superintendent may issue any order appropriate in voluntary dissolution proceedings or commence delinquency proceedings against a risk retention group not chartered in this state that does business in this state if the superintendent finds, after an examination of the group under division (E) of this section, that its financial condition is impaired. A risk retention group that



violates any provision of this chapter is subject to fines and penalties, including revocation of its right to do business in this state, applicable to licensed insurers generally.