



Ohio Administrative Code

Rule 3745-267-141 Definitions - financial assurance requirements for standardized permits.

Effective: March 7, 2025

When used in rules 3745-267-140 to 3745-267-151 of the Administrative Code, the terms in this rule have the following meanings:

(A) "Closure plan" means the plan for closure prepared in accordance with paragraph (C) of rule 3745-267-110 of the Administrative Code.

(B) "Current closure cost estimate" means the most recent of the estimates prepared in accordance with paragraphs (A), (B), and (C) of rule 3745-267-142 of the Administrative Code.

(C) [Reserved.]

(D) "Parent corporation" means a corporation which directly owns at least fifty per cent of the voting stock of the corporation which is the facility owner or operator; the latter corporation is deemed a "subsidiary" of the parent corporation.

(E) [Reserved.]

(F) The terms in this paragraph are used in the specifications for the financial tests for closure and liability coverage. The definitions are intended to assist in the understanding of rules 3745-267-140 to 3745-267-151 of the Administrative Code and are not intended to limit the meanings of terms in a way that conflicts with generally accepted accounting practices.

(1) "Assets" means all or existing and all probable future economic benefits obtained or controlled by a particular entity.

(2) "Current plugging and abandonment cost estimate" means the most recent of the estimates prepared in accordance with rule 3745-34-36 of the Administrative Code.



(3) "Independently audited" refers to an audit performed by an independent certified public accountant in accordance with generally accepted auditing standards.

(4) "Liabilities" means probable future sacrifices of economic benefits arising from present obligations to transfer assets or provide services to other entities in the future as a result of past transactions or events.

(5) "Tangible net worth" means the tangible assets that remain after deducting liabilities; such assets would not include intangibles such as goodwill and rights to patents or royalties.

(G) In the liability insurance requirements, the terms "bodily injury" and "property damage" shall have the meanings given these terms by applicable Ohio law. However, these terms do not include those liabilities which, consistent with standard industry practices, are excluded from coverage in liability policies for bodily injury and property damage. Ohio EPA intends the meanings of other terms used in the liability insurance requirements to be consistent with common meanings within the insurance industry. The definitions of several of the terms in this paragraph are intended to assist in the understanding of the liability insurance requirements and are not intended to limit the meanings in a way that conflicts with general insurance industry usage.

(1) "Accidental occurrence" means an accident, including continuous or repeated exposure to conditions, which results in bodily injury or property damage neither expected nor intended from the standpoint of the insured.

(2) "Legal defense costs" means any expenses that an insurer incurs in defending against claims of third parties brought under the terms and conditions of an insurance policy.

(3) "Sudden accidental occurrence" means an occurrence which is not continuous or repeated in nature.

(H) "Substantial business relationship" means the extent of a business relationship necessary under applicable state law to make a guarantee contract issued incident to that relationship valid and enforceable. A "substantial business relationship" arises from a pattern of recent or ongoing business transactions, in addition to the guarantee itself, such that a currently existing business relationship



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between the guarantor and the owner or operator is demonstrated to the satisfaction of the director.