



Ohio Administrative Code

Rule 3901-11-02 Additional capital and surplus required.

Effective: November 14, 2024

(A) Purpose

The purpose of this rule is to establish the procedure for the superintendent of insurance to require additional capital and surplus of a captive insurance company pursuant to section 3964.05 of the Revised Code.

(B) Authority

This rule is promulgated pursuant to the authority vested in the superintendent under section 3964.21 of the Revised Code.

(C) Basis of determination

(1) In determining whether to require a captive insurance company to increase its capital and surplus, the superintendent of insurance shall take into consideration the following:

- (a) The type of risks insured by the captive insurance company;
- (b) The volume of coverage being written by the captive insurance company; and
- (c) The general business environment and economic conditions.

(2) In making a determination to require a captive insurance company to increase its capital and surplus, the superintendent of insurance may rely on:

- (a) Reports and analyses prepared by or for the national association of insurance commissioners;
- (b) Economic forecasts prepared by the federal reserve banks, the United States department of



treasury, and other federal and state governmental or quasi-governmental entities;

(c) Economic and business reports prepared by private bank economists and private insurance industry rating agencies;

(d) The expert opinion of professionals, such as actuaries, certified public accountants, and economists, engaged by the superintendent of insurance to analyze the financial condition of a captive insurance company; and

(e) Any other information that the superintendent of insurance finds relevant.

(D) Notice to captive insurance company

The superintendent of insurance shall provide written notice of any determination to require an increase of the capital and surplus of a captive insurance company, including:

(1) The reason for the required increase of the capital and surplus;

(2) The amount of the increase of the capital and surplus; and

(3) The date by which the captive insurance company shall achieve the additional required capital and surplus.

(E) Severability

If any portion of this rule or the application thereof to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of the rule or related rules which can be given effect without the invalid portion or application, and to this end the provisions of this rule are severable.