



Ohio Administrative Code Rule 3901-3-05 Valuation of investments.

Effective: March 21, 2005

(A) Purpose

The purpose of this rule is to facilitate the department's analysis and examination of the financial condition of insurers by establishing procedures for the valuing of investments to be used by insurers in the preparation and filing of statutory financial statements and other financial information.

(B) Authority

This rule is issued pursuant to the authority vested in the superintendent of insurance under sections 3901.041, 3901.77, 3907.20 and 1751.47 of the Revised Code.

(C) Procedures

The "Valuation of Securities Manual", "Purposes and Procedures Manual of the NAIC Securities Valuation Office", and the "Accounting Practices and Procedures Manual" as published by the national association of insurance commissioners (NAIC) have been adopted for use in Ohio by section 3901.77 of the Revised Code. The procedures outlined in these publications are to be used for valuing investments for which valuations are not otherwise defined by statute or rule. The superintendent shall disallow any accounting practice or procedure prescribed by the publications if he deems it necessary to ascertain the condition and affairs of any company. In making the disallowance determination, the superintendent shall consider such factors as the nature of the investment; the financial stability of the issuing company; the applicability of other standardized accounting procedures; and other factors affecting the accuracy of the valuation.

(D) Valuations of investments otherwise defined.

A company which has an investment which cannot be valued in accordance with paragraph (C) of this rule shall be a non-admitted investment and afforded a value of zero in any filing of statutory



financial statements and other financial information.

(E) Severability

If any section, term or provision of this rule is adjudged invalid for any reason, such judgment shall not affect, impair or invalidate any other section, term or provision of this rule, but the remaining sections, terms and provisions shall be and continue in full force and effect.