



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

Effective: November 14, 2024

(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 the superintendent 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.

An investment which cannot be valued in accordance with paragraph (C) of this rule is 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 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.