



Ohio Revised Code

Section 1739.07 Voluntary termination by member.

Effective: April 9, 1993

Legislation: House Bill 689 - 119th General Assembly

(A)(1) Except as provided in division (B) of section 1739.15 of the Revised Code, unless otherwise stated in the agreement, a member may elect to terminate voluntarily its participation in a multiple employer welfare arrangement operating a group self-insurance program by giving no less than thirty days' written notice to the arrangement. Except as provided in division (A)(2) of this section, the voluntary termination shall be approved by the board of the arrangement upon a finding that the member is in good standing, that both the member and the arrangement have met all the requirements of sections 1739.01 to 1739.22 of the Revised Code and any rules adopted by the superintendent of insurance pursuant to such sections, and that the member has complied with all the requirements of the agreement as of the proposed effective date of termination.

(2) If a member voluntarily terminates its participation in a multiple employer welfare arrangement at a time when the total number of covered employees employed by the member represents less than five per cent of the total number of covered employees employed by all members of the arrangement, the member's voluntary termination of its participation, unless otherwise stated in the agreement, does not require approval by the board of the arrangement.

(B)(1) A multiple employer welfare arrangement operating a group self-insurance program may involuntarily terminate a member upon a finding by the board of the arrangement, after notice is given in accordance with division (B)(2) of this section, that the member has done any of the following:

(a) Failed to comply with the requirements of sections 1739.01 to 1739.22 of the Revised Code;

(b) Failed to comply with the articles and bylaws of the arrangement or the applicable agreement;

(c) Failed to pay its proportionate share of any premiums or installments thereof due the arrangement;



(d) Otherwise failed to discharge its obligations to the arrangement when due.

(2) A multiple employer welfare arrangement operating a group self-insurance program shall give the member written notice stating the time when the termination is effective, which time shall not be less than fifteen days from the date of the notice or any longer period as may be specified by rule of the superintendent or the agreement. Notice may be delivered in person, or sent by certified mail to the last address of record of the member. The notice may or may not be accompanied by a tender of the unearned premium paid by the member, calculated on a pro rata basis. If the tender is not made simultaneously with the notice, it shall be made within fifteen days after notice of termination unless an audit or rate investigation is required, in which case the tender shall be made as soon as practicable after completion of the audit or investigation.

(C) Any member that terminates its membership or is involuntarily terminated from membership in a multiple employer welfare arrangement pursuant to division (A) or (B) of this section shall remain liable for all obligations of the arrangement incurred during its membership in proportion to the ratio of the total number of covered employees employed by the member at the time of termination to the total number of covered employees employed by all members of the arrangement at the time of termination.