



Ohio Revised Code

Section 1739.21 Fines - probation.

Effective: April 9, 1993

Legislation: House Bill 689 - 119th General Assembly

(A) The superintendent of insurance, after notice and opportunity for hearing in accordance with Chapter 119. of the Revised Code, may impose a fine upon a multiple employer welfare arrangement operating a group self-insurance program, a third-party administrator, or other entity if he finds either of the following:

(1) The arrangement, third-party administrator, or other entity, through the acts of its officers, directors, board or committee members, employees, agents, or representatives, has engaged in an act in violation of any applicable provision of division (B) of section 1739.02, division (F) of section 1739.09, or division (A), (B), or (C) of section 1739.20 of the Revised Code or of any rule or order adopted or issued by the superintendent to enforce or carry out the purposes of such sections;

(2) Division (C)(2), (3), (4), or (6) of section 1739.04 of the Revised Code, or any rule or order adopted or issued by the superintendent to enforce or carry out the purposes of such section, applies to the arrangement, third-party administrator, or other entity.

(B) The fine imposed for any violation described in division (A) of this section shall not exceed one thousand dollars for each violation, except that a fine of not more than five thousand dollars may be imposed for each act of willful misconduct constituting a violation described in division (A) of this section.

(C) In addition to any penalty provided under this section, the superintendent, in lieu of an order of suspension or revocation under section 1739.04 of the Revised Code, may place any multiple employer welfare arrangement on probation for a period not to exceed one year for each violation described in division (A) of this section, and may subject the arrangement to a fine of up to one thousand dollars for each such violation. If the arrangement or its third-party administrator knew or reasonably should have known that the arrangement was engaged in a violation described in division (A) of this section, the fine provided in this division may be increased to an amount up to five thousand dollars for each such violation.



(D)(1) If the superintendent places an arrangement on probation under division (C) of this section, the superintendent may appoint a supervisor to supervise the arrangement and may prohibit the arrangement from doing any of the following, during the period of probation, without the prior approval of the superintendent or the supervisor:

- (a) Dispose of, convey, or encumber any of its assets or its business in force;
- (b) Withdraw from any of its bank accounts;
- (c) Lend any of its funds;
- (d) Invest any of its funds;
- (e) Transfer any of its property;
- (f) Incur any debt, obligation, or liability;
- (g) Merge or consolidate with another company;
- (h) Enter into any new reinsurance contract or treaty.

(2) All expenses incurred as a result of probation shall be borne by the arrangement.

(E) All fines collected under this section shall be paid into the state treasury to the credit of the department of insurance operating fund created under section 3901.021 of the Revised Code.