



Ohio Revised Code

Section 3964.194 Counterparties; credit for reinsurance ceded to special purpose financial captive insurance company that is a subsidiary or affiliate of the counterparty.

Effective: September 17, 2014

Legislation: House Bill 117 - 130th General Assembly

(A) Notwithstanding any other section of the Revised Code, a counterparty may take credit for reinsurance ceded to a special purpose financial captive insurance company that is a subsidiary or affiliate of the counterparty, if assets valued using the basis of accounting applicable to the special purpose financial captive insurance company under division (E) of section 3964.03 of the Revised Code at least equal to the reserves as determined under the basis elected under division (E) of section 3964.03 of the Revised Code for the reinsurance are held directly by the ceding counterparty or in trust on behalf of the ceding counterparty, as security for payment of the obligations under the reinsurance contract with the reinsuring special purpose financial captive insurance company.

(B) Such funds shall be held in compliance with the requirements of section 3901.63 of the Revised Code.

(C) An Ohio domiciled counterparty in recording its investment in a special purpose financial captive insurance company domiciled in this state, shall value the investment using the special purpose financial captive insurance company's underlying audited statutory equity reflecting the reserves established pursuant to division (E) of section 3964.03 of the Revised Code.

(D) Notwithstanding any other provision of the Revised Code that would otherwise apply, any change in surplus that may be recognized by any Ohio domiciled ceding counterparty pursuant to this chapter may be recognized in such ceding counterparty's calculation of its investment in a United States insurance subsidiary, controlled and affiliated entity investment, or any of its Ohio domiciled parents' calculations of their investment in a United States insurance subsidiary, controlled, and affiliated entities.
