



Ohio Revised Code

Section 1753.33 Company action level event.

Effective: January 1, 2012

Legislation: House Bill 300 - 128th General Assembly

(A) For purposes of sections 1753.31 to 1753.43 of the Revised Code, a "company action level event" is any of the following events:

(1) A health insuring corporation's filing of an RBC report that indicates that the health insuring corporation's total adjusted capital is greater than or equal to its regulatory action level RBC but less than its company action level RBC;

(2) A health insuring corporation's filing of an RBC report that indicates that the health insuring corporation's total adjusted capital is greater than or equal to its company action level RBC but less than the product of its authorized control level RBC and 3.0, and that triggers the trend test determined in accordance with the trend test calculation included in the RBC instructions;

(3) The notification by the superintendent of insurance to a health insuring corporation of an adjustment to the health insuring corporation's RBC report, which adjusted RBC report shows the health insuring corporation's total adjusted capital within the range described in division (A)(1) of this section, provided that the health insuring corporation does not challenge the adjusted RBC report under section 1753.37 of the Revised Code;

(4) The notification by the superintendent to a health insuring corporation, following the hearing required under section 1753.37 of the Revised Code, that the superintendent has rejected the health insuring corporation's challenge to an adjusted RBC report showing the health insuring corporation's total adjusted capital within the range described in division (A)(1) of this section.

(B) In the case of a company action level event, the health insuring corporation shall prepare and submit to the superintendent an RBC plan that shall do all of the following:

(1) Identify the conditions that contributed to the company action level event;



(2) Contain proposals of corrective actions that the health insuring corporation intends to take to eliminate the conditions contributing to the company action level event;

(3) Provide projections of the health insuring corporation's financial results in the current year and at least the two succeeding years, both in the absence of the proposed corrective actions and giving effect to the proposed corrective actions. The projections shall include projections of statutory balance sheets, operating income, net income, capital, surplus, and RBC levels. Projections for both new and renewal business may include separate projections for each major line of business, and may separately identify each significant income, expense, and benefit component of the projection.

(4) Identify the key assumptions impacting the health insuring corporation's projections made pursuant to division (B)(3) of this section, and describe the sensitivity of the projections to the assumptions;

(5) Identify the quality of, and problems associated with, the health insuring corporation's business, including, but not limited to, its assets, anticipated business growth and associated surplus strain, extraordinary exposure to risk, mix of business, and the use of reinsurance, if any, in each case.

(C) The RBC plan shall be submitted within forty-five days after a company action level event. However, if a health insuring corporation has challenged an adjusted RBC report pursuant to section 1753.37 of the Revised Code, an RBC plan need not be submitted unless the superintendent rejects the challenge following the hearing required under section 1753.37 of the Revised Code. If the superintendent rejects the health insuring corporation's challenge, the RBC plan shall be submitted within forty-five days after the superintendent's notification to the health insuring corporation of the superintendent's rejection of the challenge.

(D)(1) Within sixty days after a health insuring corporation submits an RBC plan to the superintendent, the superintendent shall either require the health insuring corporation to implement the RBC plan or notify the health insuring corporation that the RBC plan is unsatisfactory in the judgment of the superintendent. If the superintendent has determined that the RBC plan is unsatisfactory, the notification to the health insuring corporation shall set forth the reasons for the determination, and may set forth proposed revisions that will render the RBC plan satisfactory in the judgment of the superintendent. Upon its receipt of such notification from the superintendent,



the health insuring corporation shall prepare and submit a revised RBC plan, which may incorporate by reference any revisions proposed by the superintendent.

(2) If a health insuring corporation challenges, under section 1753.37 of the Revised Code, a notification by the superintendent that the health insuring corporation's RBC plan or a revised RBC plan is unsatisfactory, submission of a revised RBC plan need not be made unless the superintendent rejects the health insuring corporation's challenge and notifies the health insuring corporation of this rejection. A health insuring corporation shall submit a revised RBC plan to the superintendent within forty-five days after receiving notification from the superintendent that its RBC plan is unsatisfactory, or that its challenge to a notification made under division (D)(1) of this section has been rejected, as applicable.

(E) Notwithstanding division (D) of this section, if the superintendent notifies a health insuring corporation that its RBC plan or revised RBC plan is unsatisfactory, the superintendent may, at the superintendent's discretion but subject to the health insuring corporation's right to a hearing under section 1753.37 of the Revised Code, specify in the notification that the notification constitutes a regulatory action level event.

(F) Every domestic health insuring corporation that submits an RBC plan or revised RBC plan to the superintendent shall file a copy of the RBC plan or revised RBC plan with the insurance regulatory authority of every state in which the health insuring corporation is authorized to do business upon receiving the insurance regulatory authority's written request for a copy of the plan, if the state has a confidentiality law substantially similar to section 1753.38 of the Revised Code. The health insuring corporation shall file the copy in that state no later than the later of:

(1) Fifteen days after receiving the request for a copy of the plan;

(2) The date on which the RBC plan or revised RBC plan is filed pursuant to division (C) or (D) of this section.