



Ohio Revised Code

Section 3903.726 Submissions prior to operative date of valuation manual.

Effective: September 4, 2014

Legislation: Senate Bill 140 - 130th General Assembly

(A) This section shall apply on and after the operative date of the valuation manual.

(B) Every company with an outstanding life insurance contract, accident and health insurance contract, or deposit-type contract in this state that is subject to rules adopted by the superintendent shall annually submit the opinion of an appointed actuary as to whether the reserves and related actuarial items held in support of the policies and contracts are computed appropriately, are based on assumptions that satisfy contractual provisions, are consistent with prior reported amounts, and comply with applicable laws of this state. The valuation manual shall prescribe the specifics of this opinion.

(C) Every company with an outstanding life insurance contract, accident and health insurance contract, or deposit-type contract in this state that is subject to rules adopted by the superintendent, except as exempted in the valuation manual, shall also annually include in the opinion required by division (B) of this section, an opinion of the same appointed actuary as to whether the reserves and related actuarial items held in support of the policies and contracts specified in the valuation manual, when considered in light of the assets held by the company with respect to the reserves and related actuarial items, including the investment earnings on the assets and the considerations anticipated to be received and retained under the policies and contracts, make adequate provision for the company's obligations under the policies and contracts, including the benefits under and expenses associated with the policies and contracts.

(D) Each opinion required by divisions (B) and (C) of this section shall be governed by the following provisions:

(1) The opinion shall be in form and substance as specified in the valuation manual and acceptable to the superintendent.

(2) The opinion shall be submitted with the annual statement reflecting the valuation of such reserve



liabilities for each year ending on or after the operative date of the valuation manual.

(3) The opinion shall apply to all policies and contracts subject to division (C) of this section, plus other actuarial liabilities as may be specified in the valuation manual.

(4) The opinion shall be based on standards adopted from time to time by the actuarial standards board or its successor, and on such additional standards as may be prescribed in the valuation manual.

(5) In the case of an opinion required to be submitted by a foreign or alien company, the superintendent may accept the opinion filed by that company with the insurance supervisory official of another state if the superintendent determines that the opinion reasonably meets the requirements applicable to a company domiciled in this state.

(6) Except in cases of fraud or willful misconduct, the appointed actuary shall not be liable for damages to any person, other than the insurance company and the superintendent, for any act, error, omission, decision, or conduct with respect to the appointed actuary's opinion.

(7) Disciplinary action by the superintendent against the company or the appointed actuary shall be defined in rules adopted by the superintendent.

(E) In addition to the requirements specified in division (D) of this section, each opinion required by division (C) of this section shall be governed by the following provisions:

(1) A memorandum, in form and substance as specified in the valuation manual, and acceptable to the superintendent, shall be prepared to support each actuarial opinion.

(2) If the insurance company fails to provide a supporting memorandum at the request of the superintendent within a period specified in the valuation manual or the superintendent determines that the supporting memorandum provided by the insurance company fails to meet the standards prescribed by the valuation manual or is otherwise unacceptable to the superintendent, the superintendent may engage a qualified actuary at the expense of the company to review the opinion and the basis for the opinion and prepare the supporting memorandum required by the



AUTHENTICATED,
OHIO LEGISLATIVE SERVICE
COMMISSION
DOCUMENT #244047

superintendent.