



Ohio Revised Code

Section 3903.86 Mandatory control level event duties of superintendent and insurer.

Effective: March 3, 1996

Legislation: House Bill 374 - 121st General Assembly

(A) For purposes of sections 3903.81 to 3903.93 of the Revised Code, a "mandatory control level event" is any of the following events:

- (1) The filing of an RBC report by an insurer that indicates that the insurer's total adjusted capital is less than its mandatory control level RBC;
- (2) The notification by the superintendent of insurance to an insurer of an adjustment to the insurer's RBC report, which adjusted RBC report shows the insurer's total adjusted capital at less than its mandatory control level RBC, provided the insurer does not challenge the adjusted RBC report under section 3903.87 of the Revised Code;
- (3) The superintendent's notification to an insurer, following the hearing required under section 3903.87 of the Revised Code, that the superintendent has rejected the insurer's challenge to an adjusted RBC report.

(B) In the case of a mandatory control level event, the superintendent shall do the following:

- (1) With respect to a life or health insurer, take such actions as are necessary to place the insurer under regulatory control under sections 3903.01 to 3903.59 of the Revised Code. The mandatory control level event shall be deemed sufficient grounds for the superintendent to take action under sections 3903.01 to 3903.59 of the Revised Code. Nothing in sections 3903.81 to 3903.93 of the Revised Code shall impair or restrict the rights, powers, and protections afforded to the superintendent and to insurers under sections 3903.01 to 3903.59 of the Revised Code. However, the superintendent may defer action under this division for up to ninety days after the mandatory control level event if the superintendent finds that there is a reasonable expectation the insurer may be able to eliminate the conditions leading to the mandatory control level event within the ninety-day period.



(2) With respect to a property and casualty insurer, take such actions as are necessary to place the insurer under regulatory control under sections 3903.01 to 3903.59 of the Revised Code. In the case of a property and casualty insurer that is writing no business, and that is running-off its existing business, the superintendent may allow the insurer to continue the run-off under the supervision of the superintendent. The mandatory control level event shall be deemed sufficient grounds, however, for the superintendent to take action under sections 3903.01 to 3903.59 of the Revised Code, regardless of whether a property and casualty insurer is running-off its existing business. Nothing in sections 3903.81 to 3903.93 of the Revised Code shall impair or restrict the rights, powers, and protections afforded to the superintendent and to insurers under sections 3903.01 to 3903.59 of the Revised Code. The superintendent may defer action for up to ninety days after the mandatory control level event if the superintendent finds that there is a reasonable expectation the insurer may be able to eliminate the conditions leading to the mandatory control level event within the ninety-day period.