



Ohio Revised Code

Section 3924.13 [Suspended eff. 1/1/2014 to 1/1/2026, per Section 3 of S.B. 9 of the 130th General Assembly, as amended] Apportioning assessments.

Effective: March 22, 1999

Legislation: House Bill 698 - 122nd General Assembly

(A) Following the close of each calendar year, the administrator of the Ohio health reinsurance program shall determine the net premiums, the program expenses for administration, and the incurred losses, if any, for the year, taking into account investment income and other appropriate gains and losses. For purposes of this section, health benefit plan premiums earned by MEWAs shall be established by adding paid claim losses and administrative expenses of the MEWA. Health benefit plan premiums and benefits paid by a carrier that are less than an amount determined by the board of directors of the program to justify the cost of collection shall not be considered for purposes of determining assessments. For purposes of this division, "net premiums" means health benefit plan premiums, less administrative expense allowances.

(B) Any net loss for the year shall be recouped first by assessments of carriers in accordance with this division. Assessments shall be apportioned by the board among all carriers participating in the program in proportion to their respective shares of the total premiums, net of reinsurance premiums paid for coverage under this program earned in the state from health benefit plans covering small employers that are issued by participating members during the calendar year coinciding with or ending during the fiscal year of the program, or on any other equitable basis reflecting coverage of small employers as may be provided in the plan of operation. An assessment shall be made pursuant to this division against a health insuring corporation that is approved by the secretary of health and human services as a federally qualified health maintenance organization pursuant to the "Social Security Act," 49 Stat. 620 (1935), 42 U.S.C.A. 301, as amended, subject to an assessment adjustment formula adopted by the board for such health insuring corporations that recognizes the restrictions imposed on the entities by federal law. The adjustment formula shall be adopted by the board prior to the first anniversary of the program's operation. In no event shall the assessment made pursuant to this division exceed, on an annual basis, one per cent of the carrier's Ohio small employer group premium as reported on its most recent annual statement filed with the superintendent of insurance. If an excess is actuarially projected, the superintendent may take any action necessary to lower the assessment to the maximum level of one per cent.



(C) If assessments exceed actual losses and administrative expenses of the program, the excess shall be held at interest and used by the board to offset future losses or to reduce program premiums. As used in this division, "future losses" includes reserves for incurred but not reported claims.

(D) Each carrier's proportion of participation in the program shall be determined annually by the board based on annual statements and other reports deemed necessary by the board and filed by the carrier with the board. MEWAs shall report to the board claims payments made and administrative expenses incurred in this state on an annual basis on a form prescribed by the superintendent.

(E) Provision shall be made in the plan of operation for the imposition of an interest penalty for late payment of assessments.

(F) A carrier may seek from the superintendent a deferment, in whole or in part, from any assessment issued by the board. The superintendent may defer, in whole or in part, the assessment of a carrier if, in the opinion of the superintendent, payment of the assessment would endanger the carrier's ability to fulfill its contractual obligations.

(G) In the event an assessment against a carrier is deferred in whole or in part, the amount by which the assessment is deferred may be assessed against the other carriers in a manner consistent with the basis for assessments set forth in this section. In such event, the other carriers assessed shall have a claim in the amount of the assessment against the carrier receiving the deferment. The carrier receiving the deferment shall remain liable to the program for the amount deferred. The superintendent may attach appropriate conditions to any deferment.