



Ohio Revised Code Section 3964.07 Annual reports.

Effective: September 17, 2014

Legislation: House Bill 117 - 130th General Assembly

(A) A captive insurance company shall not be required to make any annual report except as required by this section.

(B)(1) The chief financial officer and at least one additional executive officer of a captive insurance company, or a majority of the directors of a captive insurance company annually, on the first day of January, or within sixty days thereafter prepare under oath and deposit in the office of the superintendent, a statement showing the financial condition of the captive insurance company on the thirty-first day of the December next preceding. An actuarial opinion from a qualified actuary regarding the adequacy of the company's required reserves to make full provision for the company's liabilities, insured or reinsured, shall be included in this statement. The qualified actuary shall submit a memorandum to the superintendent detailing the support for that opinion.

(2) All captive insurance companies shall have an annual audit by an independent certified public accountant and shall file an audited financial report with the superintendent on or before the first day of June as a supplement to the annual statement required under division (B)(1) of this section.

(C) Each captive insurance company shall report using generally accepted accounting principles, unless the superintendent requires, approves, or accepts the use of statutory accounting principles or other comprehensive basis accounting, any appropriate, necessary modifications or adaptations required or approved or accepted by the superintendent for each type of insurance or kind of insurance company that makes such a report, and as supplemented by additional information required by the superintendent.

(D) Captive insurance companies shall prepare, at a minimum, internal quarterly financial statements. These statements shall be made available upon request to the superintendent.

(E) The superintendent shall adopt by rule the prescribed forms, instructions, and manuals by which captive insurance companies shall make the reports required under this section, as the



superintendent considers necessary.

(F) Division (H) of section 3964.03 of the Revised Code shall apply to each report filed under this section.

(G)(1) Special purpose financial captive insurance companies are subject to sections 3903.81 to 3903.93 of the Revised Code.

(2)(a) Notwithstanding division (G)(1) of this section, the superintendent shall establish an acceptable total capital and surplus requirement for a special purpose financial captive insurance company that is permitted by the superintendent to use an alternative reserve basis pursuant to division (E)(2) of section 3964.03 of the Revised Code if there is an inherent inconsistency between the approved alternative reserve basis and sections 3903.81 to 3903.93 of the Revised Code.

(b) The total capital and surplus requirement as established by the superintendent shall be determined in accordance with a minimum required total capital and surplus methodology that meets both of the following:

(i) Is consistent with current risk-based capital principles;

(ii) Takes into account all material risks and obligations, as well as the assets, of the special purpose financial captive insurance company.