



## Ohio Revised Code

### Section 3956.12 Detection and prevention of insurer insolvencies or impairments.

Effective: November 20, 1989

Legislation: House Bill 89 - 118th General Assembly

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To aid in the detection and prevention of insurer insolvencies or impairments:

(A) The superintendent of insurance shall do all of the following:

(1) Notify the commissioners of insurance of all the other states, when he takes any of the following actions against a member insurer:

(a) Revocation of license;

(b) Suspension of license;

(c) Makes any formal order that such company restrict its premium writing, obtain additional contributions to surplus, withdraw from the state, reinsure all or any part of its business, or increase capital, surplus, or any other account for the security of policyholders or creditors.

Notice under division (A)(1) of this section shall be mailed to all insurance commissioners within thirty days following the action taken or the date on which the action occurs.

(2) Report to the board of directors of the Ohio life and health insurance guaranty association when he has taken any of the actions set forth in division (A)(1) of this section or has received a report from any other insurance commissioner indicating that any such action has been taken in another state. The report to the board of directors shall contain all significant details of the action taken or the report received from another commissioner.

(3) Report to the board of directors when he has reasonable cause to believe, from any completed or ongoing examination of any member company, that the company may be an impaired or insolvent insurer;



(4) Furnish to the board of directors the national association of insurance commissioners' insurance regulatory information service (IRIS) ratios and listings of companies not included in the ratios developed by the commissioners. The board may use the information contained in this report in carrying out its duties and responsibilities under this section. The report and the information contained in the report shall be kept confidential by the members of the board of directors until such time as made public by the superintendent or other lawful authority.

(B) The superintendent may seek the advice and recommendation of the board of directors concerning any matter affecting his duties and responsibilities regarding the financial condition of member insurers and companies seeking admission to transact insurance business in this state.

(C) The board of directors, upon majority vote, may make reports and recommendations to the superintendent upon any matter germane to the solvency, rehabilitation, or liquidation of any member insurer or germane to the solvency of any company seeking to do an insurance business in this state. The reports and recommendations are not public records.

(D) The board of directors, upon majority vote, may notify the superintendent of any information the board possesses that indicates any member insurer may be an impaired or insolvent insurer.

(E) The board of directors, upon majority vote, may request that the superintendent order an examination of any member insurer that the board in good faith believes may be an impaired or insolvent insurer. Within thirty days of the receipt of such request, the superintendent shall begin the examination. The examination may be conducted as a national association of insurance commissioners examination or may be conducted by the persons the superintendent designates. The cost of the examination shall be paid by the association and the examination report shall be treated as are other examination reports. The examination report shall not be released to the board of directors of the association prior to its release to the public, but this shall not preclude the superintendent from complying with division (A) of this section. The superintendent shall notify the board of directors when the examination is completed. The request for an examination shall be kept on file by the superintendent but it shall not be open to public inspection prior to the release of the examination report to the public.



(F) The board of directors, upon majority vote, may make recommendations to the superintendent for the detection and prevention of insurer insolvencies.

(G) The board of directors, at the conclusion of any insurer insolvency in which the association was obligated to pay covered claims, may prepare a report to the superintendent containing information it may have in its possession bearing on the history and causes of such insolvency. The board shall cooperate with the boards of directors of guaranty associations in other states in preparing a report on the history and causes of insolvency of a particular insurer, and may adopt by reference any report prepared by the other associations.