



## Ohio Administrative Code Rule 1301:18-3-08 Financial Responsibility.

Effective: October 31, 2024

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(A) Prior to the issuance or renewal of a certificate of operation, each licensee shall acquire and maintain evidence of financial responsibility as outlined under this rule.

(B) Financial responsibility maintained pursuant to this rule may be payable to the division in the event a licensee fails to comply with any mandates under this chapter.

(C) Each licensee shall evidence financial responsibility by acquiring and maintaining both of the following:

(1) Commercial general liability insurance covering products liability through an insurance company authorized to conduct business within the state of Ohio; and

(2) One of the following:

(a) An escrow account with a chartered financial institution within the state of Ohio acting as the escrow agent, in the amount as follows:

(i) Level one cultivators: seven hundred fifty thousand dollars

(ii) Level two cultivators: seventy-five thousand dollars

(iii) Processors: two hundred fifty thousand dollars

(iv) Testing laboratories: seventy-five thousand dollars

(v) Dispensaries: fifty thousand dollars

(vi) The escrow terms shall include the following:



- (a) The licensee's business name and license number issued by the division; and
- (b) Preclusion of the financial institution to release or return any escrow funds maintained pursuant to this rule without prior written authorization by the division.
- (b) A surety bond executed by a corporate surety company licensed by the state of Ohio and authorized to execute surety bonds pursuant to Chapter 3929. of the Revised Code naming the licensee as the principal of the bond, in the amount as follows:
  - (i) Level one cultivators: seven hundred fifty thousand dollars
  - (ii) Level two cultivators: seventy-five thousand dollars
  - (iii) Processors: two hundred fifty thousand dollars
  - (iv) Testing laboratories: seventy-five thousand dollars
  - (v) Dispensaries: fifty thousand dollars
  - (vi) The bond terms shall include the following:
    - (a) ) The licensee's business name and license number issued by the division; and
    - (b) Preclusion of the surety to cancel a bond maintained pursuant to this rule without prior written authorization by the division.
    - (c) In the event that a licensee's escrow funds are released, or a bond is cancelled, the licensee shall immediately submit evidence of financial responsibility to the division on or before the effective date of cancellation.
  - (D) A licensee may petition the division to reduce its financial responsibility maintained pursuant to paragraph (C) of this rule in the amount as follows:



(1) Level one cultivators: two hundred fifty thousand dollars

(2) Level two cultivators: twenty-five thousand dollars

(3) Processors: seventy-five thousand dollars

(4) Testing laboratories: twenty-five thousand dollars

(5) Dispensaries: fifteen thousand dollars

(E) The division will approve a licensee to reduce its financial responsibility in the amount outlined in paragraph (D) of this rule if all of the following are met:

A determination by the division that for a period of one calendar year, the licensee:

(1) Remained fully operational without substantial interruption; and

(2) Demonstrated compliance with all mandates of this chapter and Chapters 3780. and 3796. of the Revised Code.

(F) The division will approve a licensee to further reduce its financial responsibility in the amount outlined in paragraph (D) of this rule if all of the following are met:

A determination by the division that for a period of two consecutive calendar years, the licensee:

(1) Remained fully operational without substantial interruption; and

(2) Demonstrated compliance with all mandates of this chapter and Chapters 3780. and 3796. of the Revised Code.

(G) A licensee may petition the division to terminate its financial responsibility. The division will approve a request pursuant to this paragraph if it determines that that for a period of three



consecutive calendar years, the licensee:

- (1) Remained fully operational without substantial interruption; and
- (2) Demonstrated compliance with all mandates of this chapter and Chapters 3780. and 3796. of the Revised Code.