



## Ohio Administrative Code

### Rule 3745-66-41 Definitions- financial requirements.

Effective: October 31, 2015

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(A) When used in rules 3745-66-40 to 3745-66-48 of the Administrative Code, the following terms have the following meanings:

(1) "Closure plan" means the plan for closure prepared in accordance with rule 3745-66-12 of the Administrative Code.

(2) "Current closure cost estimate" means the most recent of the estimates prepared in accordance with paragraphs (A), (B), and (C) of rule 3745-66-42 of the Administrative Code.

(3) "Current post-closure cost estimate" means the most recent of the estimates prepared in accordance with paragraphs (A), (B), and (C) of rule 3745-66-44 of the Administrative Code.

(4) "Parent corporation" means a corporation which directly owns at least fifty per cent of the voting stock of the corporation which is the facility owner or operator; the latter corporation is deemed a "subsidiary" of the parent corporation.

(5) "Post-closure plan" means the plan for post-closure care prepared in accordance with rules 3745-66-17 to 3745-66-20 of the Administrative Code.

(B) The following terms are used in the specifications for the financial test for closure and post-closure care and liability coverage. The definitions are intended to assist in the understanding of rules 3745-66-40 to 3745-66-48 of the Administrative Code and are not intended to limit the meaning of terms in a way that conflicts with generally accepted accounting practices.

(1) "Assets" means all existing and all probable future economic benefits obtained or controlled by a particular entity.

(2) "Current assets" means cash or other assets or reasonably expected to be realized in cash or sold



or consumed during the normal operating cycle of the business.

(3) "Current liabilities" means obligations whose liquidation is reasonably expected to require the use of existing resources properly classifiable as current assets or the creation of other current liabilities.

(4) "Current plugging and abandonment cost estimate" means the most recent of the estimates prepared in accordance with rule 3745-34-36 of the Administrative Code.

(5) "Independently audited" refers to an audit performed by an independent certified public accountant in accordance with generally accepted auditing standards.

(6) "Liabilities" means probable future sacrifices of economic benefits arising from present obligations to transfer assets or provide services to other entities in the future as a result of past transactions or events

(7) "Net working capital" means current assets minus current liabilities.

(8) "Net worth" means total assets minus total liabilities and is equivalent to owner's equity.

(9) "Tangible net worth" means the tangible assets that remain after deducting liabilities; such assets would not include such intangibles such as good will and rights to patents or royalties.

(C) In the liability insurance requirements the terms "bodily injury" and "property damage" shall have the meanings given these terms by applicable Ohio law. However, these terms do not include those liabilities which, consistent with standard industry practice, are excluded from coverage in liability policies for bodily injury and property damage. Ohio EPA intends the meanings of other terms used in the liability insurance requirements to be consistent with their common meanings with in the insurance industry. The definitions of several of the terms in paragraphs (C)(1) to (C)(4) of this rule are intended to assist in the understanding of rules 3745-66-40 to 3745-66-48 of the Administrative Code and are not intended to limit their meanings in a way that conflict with general insurance industry usage.



- (1) "Accidental occurrence" means an accident, including continuous or repeated exposure to conditions, which results in bodily injury or property damage neither expected nor intended from the standpoint of the insured.
  
- (2) "Legal defense costs" means any expenses that an insurer incurs in defending against claims of third parties brought under the terms and conditions of an insurance policy.
  
- (3) "Nonsudden accidental occurrence" means an occurrence which takes place over time and involves continuous or repeated exposure.
  
- (4) "Sudden accidental occurrence" means an occurrence which is not continuous or repeated in nature.
  
- (D) "Substantial business relationship" means the extent of a business relationship necessary under applicable Ohio law to make a guarantee contract issued incident to that relationship valid and enforceable. A "substantial business relationship" arises from a pattern of recent or ongoing business transactions, in addition to the guarantee itself, such that a currently existing business relationship between the guarantor and the owner or operator is demonstrated to the satisfaction of the director.