



Ohio Revised Code

Section 9.823 Risk management reserve fund.

Effective: September 29, 2011

Legislation: House Bill 153 - 129th General Assembly

(A) All contributions collected by the director of administrative services under division (E) of this section shall be deposited into the state treasury to the credit of the risk management reserve fund, which is hereby created. The fund shall be used to provide insurance and self-insurance for the state under sections 9.822 and 9.83 of the Revised Code. All investment earnings of the fund shall be credited to it.

(B) The director, through the office of risk management, shall operate the risk management reserve fund on an actuarially sound basis.

(C) Reserves shall be maintained in the risk management reserve fund in any amount that is necessary and adequate, in the exercise of sound and prudent actuarial judgment, to cover potential liability claims, expenses, fees, or damages. Money in the fund may be applied to the payment of liability claims that are filed against the state. The director may procure the services of a qualified actuarial firm for the purpose of recommending the specific amount of money that would be required to maintain adequate reserves for a given period of time.

(D) A report of the amounts reserved and disbursements made from the reserves, together with a written report of a competent property and casualty actuary, shall be submitted, on or before the last day of March for the preceding calendar year, to the speaker of the house of representatives and the president of the senate. The actuary shall certify the adequacy of the rates of contributions, the sufficiency of excess insurance, and whether the amounts reserved conform to the requirements of this section, are computed in accordance with accepted loss reserving standards, and are fairly stated in accordance with sound loss reserving principles. The report shall include disbursements made for the administration of the fund, including claims paid, cost of legal representation of state agencies and employees, and fees paid to consultants.

(E) The director shall collect from each state agency or any participating state body its contribution to the risk management reserve fund for the purpose of purchasing insurance or administering self-



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DOCUMENT #254682

insurance programs for coverages authorized under sections 9.822 and 9.83 of the Revised Code. The contribution shall be determined by the director, with the approval of the director of budget and management, and shall be based upon actuarial assumptions and the relative risk and loss experience of each state agency or participating state body. The contribution shall further include a reasonable sum to cover the department's administrative costs.