



Ohio Revised Code

Section 1751.05 Issuance or denial of certificate of authority.

Effective: October 16, 2009

Legislation: House Bill 1 - 128th General Assembly

(A) The superintendent of insurance shall issue or deny a certificate of authority to a health insuring corporation filing an application pursuant to section 1751.03 of the Revised Code, one hundred thirty-five days from the superintendent's receipt of a complete application and accompanying documents.

(B) A certificate of authority shall be issued upon payment of the application fee prescribed in section 1751.44 of the Revised Code if the superintendent is satisfied that the following conditions are met:

(1) The persons responsible for the conduct of the affairs of the applicant are competent, trustworthy, and possess good reputations.

(2) The superintendent determines, in accordance with division (B) of section 1751.04 of the Revised Code, that the organization's proposed plan of operation meets the requirements of division (A) of that section.

(3) The applicant constitutes an appropriate mechanism to effectively provide or arrange for the provision of the basic health care services, supplemental health care services, or specialty health care services to be provided to enrollees.

(4) The applicant is financially responsible, complies with section 1751.28 of the Revised Code, and may reasonably be expected to meet its obligations to enrollees and prospective enrollees. In making this determination, the superintendent may consider:

(a) The financial soundness of the applicant's arrangements for health care services, including the applicant's proposed contractual periodic prepayments or premiums and the use of copayments and deductibles;



- (b) The adequacy of working capital;
 - (c) Any agreement with an insurer, a government, or any other person for insuring the payment of the cost of health care services or providing for automatic applicability of an alternative coverage in the event of discontinuance of the health insuring corporation's operations;
 - (d) Any agreement with providers or health care facilities for the provision of health care services;
 - (e) Any deposit of securities submitted in accordance with section 1751.27 of the Revised Code as a guarantee that the obligations will be performed.
- (5) The applicant has submitted documentation of an arrangement to provide health care services to its enrollees until the expiration of the enrollees' contracts with the applicant if a health care plan or the operations of the health insuring corporation are discontinued prior to the expiration of the enrollees' contracts. An arrangement to provide health care services may be made by using any one, or any combination, of the following methods:
- (a) The maintenance of insolvency insurance;
 - (b) A provision in contracts with providers and health care facilities, but no health insuring corporation shall rely solely on such a provision for more than thirty days;
 - (c) An agreement with other health insuring corporations or insurers, providing enrollees with automatic conversion rights upon the discontinuation of a health care plan or the health insuring corporation's operations;
 - (d) Such other methods as approved by the superintendent.
- (6) Nothing in the applicant's proposed method of operation, as shown by the information submitted pursuant to section 1751.03 of the Revised Code or by independent investigation, will cause harm to an enrollee or to the public at large, as determined by the superintendent.
- (7) Any deficiencies identified by the superintendent under section 1751.04 of the Revised Code



have been corrected.

(8) The applicant has deposited securities as set forth in section 1751.27 of the Revised Code.

(C) If an applicant elects to fulfill the requirements of division (B)(5) of this section through an agreement with other health insuring corporations or insurers, the agreement shall require those health insuring corporations or insurers to give thirty days' notice to the superintendent prior to cancellation or discontinuation of the agreement for any reason.

(D) A certificate of authority shall be denied only after compliance with the requirements of section 1751.36 of the Revised Code.