



## Ohio Revised Code

### Section 3901.352 Group-wide supervisor for internationally active insurance group.

Effective: June 21, 2018

Legislation: Senate Bill 169 - 132nd General Assembly

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(A)(1) The superintendent of insurance is authorized to act as the group-wide supervisor for any internationally active insurance group in accordance with this section. However, the superintendent may otherwise acknowledge a regulatory official from another jurisdiction as the group-wide supervisor for an internationally active insurance group, if the group meets any of the following conditions:

(a) Does not have substantial insurance operations in the United States;

(b) Has substantial operations in the United States, but not in this state;

(c) Has substantial insurance operations in the United States and this state, but the superintendent has determined pursuant to the factors set forth in divisions (B) and (F) of this section that the other regulatory official is the appropriate group-wide supervisor.

(2) An insurance holding company system that does not otherwise qualify as an internationally active insurance group may request that the superintendent make a determination or acknowledgment as to a group-wide supervisor for the insurance holding company system pursuant to this section.

(B)(1) In cooperation with other state, federal, and international regulatory agencies, the superintendent shall identify one group-wide supervisor for each internationally active insurance group. The superintendent may determine that the superintendent is the appropriate group-wide supervisor for an internationally active insurance group that conducts substantial insurance operations concentrated in this state. However, the superintendent may acknowledge that a regulatory official from another jurisdiction is the appropriate group-wide supervisor for the internationally active insurance group. The superintendent shall consider the following factors when making a determination or acknowledgment under division (B)(1) of this section:



- (a) The place of domicile of the insurers within the internationally active insurance group that hold the largest share of the group's written premiums, assets, or liabilities;
  - (b) The place of domicile of the top-tiered insurer in the internationally active insurance group's insurance holding company system;
  - (c) The location of the executive offices or largest operational offices of the internationally active insurance group;
  - (d) For the purposes of division (C)(1) of this section, whether another regulatory official is acting or is seeking to act as the group-wide supervisor for the internationally active insurance group under a regulatory system that the superintendent determines to be either of the following:
    - (i) Substantially similar to the regulatory system under the laws of this state;
    - (ii) Otherwise sufficient in terms of providing for group-wide supervision, enterprise risk analysis, and cooperation with other regulatory officials.
  - (e) Whether another regulatory official acting, or seeking to act, as the group-wide supervisor for the internationally active insurance group provides the superintendent with reasonably reciprocal recognition and cooperation.
- (2) If the superintendent is identified in division (B)(1) of this section as the group-wide supervisor of an internationally active insurance group, the superintendent may determine that it is appropriate to acknowledge another supervisor to serve as the group-wide supervisor. The acknowledgment of the new group-wide supervisor shall be made in accordance with all of the following:
- (a) After consideration of the factors listed in division (B)(1) of this section;
  - (b) In cooperation with and subject to the acknowledgment of other regulatory officials involved with supervision of members of the internationally active insurance group;
  - (c) In consultation with the internationally active insurance group.



(C)(1) Notwithstanding any other provision of law, when another regulatory official is acting as the group-wide supervisor of an internationally active insurance group, the superintendent shall acknowledge that regulatory official as the group-wide supervisor.

(2) The superintendent shall make a determination or acknowledgment under division (B) of this section as to the appropriate group-wide supervisor for an internationally active insurance group if a material change in the internationally active insurance group results in either of the following:

(a) The internationally active insurance group's insurers domiciled in this state holding the largest share of the group's premiums, assets, or liabilities;

(b) This state being the place of domicile of the top-tiered insurer in the internationally active insurance group's insurance holding company system.

(D)(1) Pursuant to section 3901.35 of the Revised Code, the superintendent may collect from any insurer registered under section 3901.33 of the Revised Code all information necessary to determine whether the superintendent may act as the group-wide supervisor of an internationally active insurance group or if the superintendent may acknowledge another regulatory official to act as the group-wide supervisor.

(2) Prior to issuing a determination that an internationally active insurance group is subject to group-wide supervision by the superintendent, the superintendent shall notify the insurer registered under section 3901.33 of the Revised Code and the ultimate controlling person within the internationally active insurance group. The superintendent shall give the internationally active insurance group not less than thirty days to provide the superintendent with additional information pertinent to the pending determination.

(3) The superintendent shall publish on its internet web site the identity of internationally active insurance groups that the superintendent has determined are subject to group-wide supervision by the superintendent.

(E) If the superintendent is the group-wide supervisor for an internationally active insurance group,



the superintendent may engage in any of the following activities:

(1) Assess the enterprise risks within the internationally active insurance group to ensure all of the following:

(a) That the material financial condition and liquidity risks to members of the internationally active insurance group that are engaged in the business of insurance are identified by management;

(b) That reasonable and effective mitigation measures are in place.

(2) Request from any member of an internationally active insurance group subject to the superintendent's supervision information necessary and appropriate to assess enterprise risk, including information about the members of the internationally active insurance group regarding all of the following:

(a) Governance, risk assessment, and management;

(b) Capital adequacy;

(c) Material intercompany transactions.

(3) Coordinate and, through the authority of the regulatory officials of the jurisdictions in which members of the internationally active insurance group are domiciled, compel development and implementation of reasonable measures designed to ensure that the internationally active insurance group is able to timely recognize and mitigate enterprise risks to members of the internationally active insurance group that are engaged in the business of insurance;

(4) Communicate with other state, federal, and international regulatory agencies for members of the internationally active insurance group and share relevant information, subject to the confidentiality provisions of section 3901.36 of the Revised Code, through a supervisory college as set forth in section 3901.351 of the Revised Code or otherwise;

(5) Enter into agreements with or obtain documentation from any insurer registered under section



3901.33 of the Revised Code, any member of the internationally active insurance group, and any other state, federal, and international regulatory agency for members of the internationally active insurance group, that provides the basis for or otherwise clarifies the superintendent's role as group-wide supervisor. The agreements or documentation may include provisions for resolving disputes with other regulatory officials. The agreements or documentation shall not serve as evidence in any proceeding to show that any insurer or person within an insurance holding company system not domiciled or incorporated in this state is doing business in this state or is otherwise subject to jurisdiction in this state.

(6) Any other group-wide supervision activities consistent with this section that the superintendent considers necessary.

(F) If the superintendent acknowledges that another regulatory official from a jurisdiction that is not accredited by the national association of insurance commissioners is the group-wide supervisor of an internationally active insurance group, the superintendent may reasonably cooperate, through a supervisory college as set forth in section 3901.351 of the Revised Code or otherwise, with group-wide supervision undertaken by the group-wide supervisor if all of the following are true:

(1) The superintendent's cooperation is in compliance with the Revised Code.

(2) The regulatory official also recognizes and cooperates with the superintendent's activities as a group-wide supervisor for other internationally active insurance groups, as applicable. If such recognition and cooperation is not reasonably reciprocal, the superintendent may refuse to recognize and cooperate with the regulatory official as group-wide supervisor.

(G) The superintendent may enter into agreements with or obtain documentation from any insurer registered under section 3901.33 of the Revised Code, any affiliate of the insurer, and other state, federal, and international regulatory agencies for members of the internationally active insurance group that provides the basis for or otherwise clarifies a regulatory official's role as group-wide supervisor of an internationally active insurance group.

(H) An insurer registered under section 3901.33 of the Revised Code shall be liable for and shall pay the reasonable expenses of the superintendent's participation in the administration of this section,



including engaging attorneys, actuaries, and any other professionals and all reasonable travel expenses.

(I) The superintendent may adopt rules in accordance with Chapter 119. of the Revised Code as necessary to implement this section.