



Ohio Revised Code

Section 3903.71 Unsound company, suspension of authority to do business.

Effective: January 1, 2021

Legislation: House Bill 339 - 133rd General Assembly

If it appears to the superintendent of insurance upon satisfactory evidence that the affairs of an insurance company, partnership, association, or reciprocal insurance exchange, not organized under the laws of this state, are such that any of the following conditions exist, the superintendent shall suspend the authority granted to such company to do business in this state:

(A) It cannot meet the current applicable requirements for incorporation and commencement of the business of insurance in this state;

(B) It has commenced, or has attempted to commence, any voluntary liquidation or dissolution proceeding, or any proceeding to procure the appointment of a receiver, liquidator, rehabilitator, sequestrator, conservator, or similar officer for itself;

(C) It is the subject of liquidation or dissolution proceedings undertaken by another state, or any other proceeding undertaken by another state to procure the appointment of a receiver, liquidator, rehabilitator, sequestrator, conservator, or similar officer;

(D) Its ratio of premium writings to surplus and capital are unreasonable as determined by the superintendent of insurance;

(E) Its further transaction of business would be hazardous to its policyholders, contract holders, or the public as shown by the following conduct, but not necessarily limited to only the following:

(1) Its investments are made so as to make unavailable within a reasonable time sufficient moneys to meet promptly any demand which might in the ordinary course of business be properly made against it;

(2) Any of its officers or directors have embezzled, sequestered, or wrongfully diverted any of its assets;



(3) It has willfully violated its charter or any law of this state.

If no demand for a hearing is made by the suspended company within thirty days after suspension, such suspension shall become a revocation of the authority to transact the business of insurance in this state. Any such hearing shall be held in compliance with sections 119.01 to 119.13 of the Revised Code. If during such hearing, satisfactory evidence of any of the enumerated conditions of this section is found to exist, the superintendent shall revoke the authority to transact the business of insurance in this state.