



Ohio Revised Code

Section 3903.84 Regulatory action level event duties of superintendent and insurer.

Effective: March 3, 1996

Legislation: House Bill 374 - 121st General Assembly

(A) For purposes of sections 3903.81 to 3903.93 of the Revised Code, a "regulatory action level event" is any of the following events:

- (1) The filing of an RBC report by an insurer that indicates that the insurer's total adjusted capital is greater than or equal to its authorized control level RBC but less than its regulatory action level RBC;
- (2) The notification by the superintendent of insurance to an insurer of an adjustment to the insurer's RBC report, which adjusted RBC report shows the insurer's total adjusted capital within the range described in division (A)(1) of this section, provided that the insurer does not challenge the adjusted RBC report under section 3903.87 of the Revised Code;
- (3) The notification by the superintendent to an insurer, following the hearing required under section 3903.87 of the Revised Code, that the superintendent has rejected the insurer's challenge to an adjusted RBC report, which report shows the insurer's total adjusted capital within the range described in division (A)(1) of this section;
- (4) The failure of an insurer to file an RBC report by the first day of March of every year, unless the insurer has provided an explanation for such failure that is satisfactory to the superintendent and has cured the failure within ten days after the filing date;
- (5) The failure of an insurer to submit an RBC plan to the superintendent within the time period set forth in division (C) of section 3903.83 of the Revised Code;
- (6) The notification by the superintendent to an insurer of both of the following:
 - (a) The RBC plan or revised RBC plan submitted by the insurer is unsatisfactory in the judgment of



the superintendent;

(b) The superintendent's notification constitutes a regulatory action level event with respect to the insurer, provided that the insurer has not challenged the determination under section 3903.87 of the Revised Code.

(7) The superintendent's notification to an insurer, following the hearing required under section 3903.87 of the Revised Code, that the superintendent has rejected the insurer's challenge to the superintendent's determination under division (A)(6) of this section;

(8) The superintendent's notification to an insurer that the superintendent has determined that the insurer has failed to adhere to its RBC plan or revised RBC plan, and this failure has had a substantial adverse effect on the ability of the insurer to eliminate the conditions leading to the company action level event in accordance with its RBC plan or revised RBC plan, provided that the insurer does not challenge this determination under section 3903.87 of the Revised Code;

(9) The superintendent's notification to an insurer, following the hearing required under section 3903.87 of the Revised Code, that the superintendent has rejected the insurer's challenge to a determination made by the superintendent under division (A)(8) of this section.

(B) In the case of a regulatory action level event the superintendent shall do all of the following:

(1) Require the insurer to prepare and submit an RBC plan, or, if applicable, a revised RBC plan;

(2) Perform such examination or analysis as the superintendent considers necessary of the assets, liabilities, and operations of the insurer, including a review of the insurer's RBC plan or revised RBC plan and the results of any sensitivity tests undertaken pursuant to the RBC instructions;

(3) Issue a corrective order specifying such corrective actions as the superintendent determines are required, based upon the superintendent's examination or analysis under division (B)(2) of this section.

(C)(1) The RBC plan or revised RBC plan required by division (B)(1) of this section shall be



submitted to the superintendent within forty-five days after the regulatory action level event, except by an insurer that files a challenge to an adjusted RBC report or a revised RBC plan pursuant to section 3903.87 of the Revised Code. If the superintendent determines the challenge is frivolous, the time limit for the submission of the RBC plan or revised RBC plan shall not be altered by the filing of the challenge.

(2) If an insurer files a nonfrivolous challenge to an adjusted RBC report or a revised RBC plan, the RBC plan or revised RBC plan required by division (B)(1) of this section shall only be submitted to the superintendent if the superintendent rejects the challenge following the hearing required under section 3903.87 of the Revised Code. The RBC plan or revised RBC plan shall be submitted within forty-five days after the superintendent's notification to the insurer of the superintendent's rejection of the insurer's challenge.

(D) The superintendent may retain actuaries, investment experts, and such other consultants, as may be necessary in the superintendent's judgment, to review an insurer's RBC plan or revised RBC plan, to examine or analyze the assets, liabilities, and operation of the insurer, and to formulate a corrective order for the insurer. The fees, costs, and expenses relating to these consultants shall be borne by the affected insurer.