



## Ohio Revised Code

### Section 3930.04 Applying for commercial insurance policy.

Effective: January 5, 1988

Legislation: House Bill 1 - 117th General Assembly

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(A) An applicant shall be considered for the issuance of a policy of commercial insurance offered by the association if the applicant presents to the association evidence that the Ohio commercial market assistance plan was unable to assist the applicant in obtaining coverage. Such application shall be submitted on behalf of the applicant by a licensed Ohio agent or broker authorized by the applicant. If the association determines that an applicant meets the underwriting standards of the association as prescribed in the plan of operation and there is no unpaid premium due from the applicant for prior commercial insurance, the association, upon receipt of the premium or such portion thereof as is prescribed in the plan of operation, shall cause to be issued a policy of commercial insurance for a term of one year.

(B)(1) The board of governors, in formulating the plan of operation, shall adopt minimum underwriting standards and shall be authorized to provide for coverage for losses which result from acts or omissions covered by such policy and reported during the policy period and for which written claim is made against the insured.

(2) All policies issued by or on behalf of the association shall contain a provision that upon termination of the policy through cancellation on grounds other than nonpayment of premium, or cessation of its underwriting operations as provided for by section 3930.17 of the Revised Code, the insured has the right on payment of appropriate additional premiums to extend coverage to include claims covered by such policy discovered and reported after the policy period, for which written claim is made against the insured.

(3) The rates, rating plans, rating rules, rating classifications, territories, and policy forms applicable to the insurance written by the association, and statistics relating thereto, are subject to Chapter 3937. of the Revised Code, giving due consideration to the past and prospective loss and expense experience for commercial insurance, trends in the frequency and severity of losses, the stabilization reserve fund, and such other information as the superintendent of insurance may require, and are subject to the prior approval of the superintendent pursuant to division (C)(3) of section 3937.03 of



the Revised Code. All rates shall be on an actuarially sound basis, and shall be calculated to be self-supporting, exclusive of member insurer assessments. The superintendent shall take all appropriate steps to make available to the association the profit, loss, and expense experience of insurers currently or previously writing commercial insurance in this state.

(4) All policy forms issued by the association shall be approved by the superintendent.

(C) The association is under no obligation to issue any policy of commercial insurance to any applicant, unless the applicant would be insurable in accordance with reasonable underwriting standards in the voluntary insurance market, if such insurance were available.