



Ohio Revised Code

Section 3930.06 Stabilization reserve fund.

Effective: January 5, 1988

Legislation: House Bill 1 - 117th General Assembly

(A) There is hereby created a stabilization reserve fund. The fund, after payment of all expenses allocated to the fund's operation, shall be available to reduce any deficit sustained in the operation of the Ohio commercial insurance joint underwriting association.

(B) Each association policyholder shall pay to the association a stabilization reserve fund charge equal to twenty per cent of the total annual premium payment due for insurance through the association without regard to whether assessment as authorized in section 3930.07 of the Revised Code has been imposed. Such charge shall be separately stated in the policy, and shall continue to be charged annually until the fund reaches a level that is determined by the board of governors to be actuarially sound, adequately reserved, financially stable, and efficiently managed so as to satisfy the purposes of the fund as stated in division (A) of this section. The association shall cancel the policy of any policyholder who fails to pay the stabilization reserve fund charge.

(C) All moneys received by the fund shall be held in a segregated account. All investment income shall be credited to the fund. All expenses of administration of the fund shall be charged against the fund.

(D) At a reasonable interval after the board of governors determines that the fund has reached a level that satisfies the purposes of the fund in accordance with division (B) of this section, the superintendent shall cause the remittance of the excess stabilization reserve fund moneys to the named insureds for their pro rata share of such moneys. The remittance shall be to each named insured in the proportion that the amount of premiums paid by such named insured bears to the total amount of premiums paid by all named insureds, taking into account any amounts previously remitted to such insureds. The remittance shall be effectuated in a manner that the superintendent believes best represents equity, fairness, and ease of administration.
