



Ohio Revised Code

Section 3935.06 Licenses for rating bureaus - discrimination prohibited - review by superintendent.

Effective: October 1, 1953

Legislation: House Bill 1

A corporation, an unincorporated association, a partnership, or an individual, whether located within or outside this state, may make application to the superintendent of insurance for license as a rating bureau for such kinds of insurance, or subdivision or class of risk or a part or combination thereof, as are specified in its application and shall file the following therewith:

(A) A copy of its constitution, of its articles of agreement or association or its certificate of incorporation, and of its bylaws, rules, and regulations governing the conduct of its business;

(B) A list of its members and subscribers;

(C) The name and address of a resident of this state upon whom notices or orders of the superintendent, or process affecting such rating bureau, may be served;

(D) A statement of its qualifications as a rating bureau.

If the superintendent finds that the applicant is competent, trustworthy, and otherwise qualified to act as a rating bureau and that its constitution, its articles of agreement or association or certificate of incorporation, and its bylaws, rules, and regulations governing the conduct of its business conform to the law, he shall issue a license specifying the kinds of insurance, or subdivision or class of risk or part or combination thereof, for which the applicant is authorized to act as a rating bureau. Every such application shall be granted or denied in whole or in part by the superintendent within sixty days of the date of its filing with him. Licenses issued pursuant to this section shall remain in effect for three years unless sooner suspended or revoked by the superintendent. The fee for said license shall be twenty-five dollars. Licenses issued pursuant to this section may be suspended or revoked by the superintendent, after hearing upon notice, in the event the rating bureau ceases to comply with this division. Every rating bureau shall notify the superintendent promptly of every change in any of the items described in divisions (A), (B), and (C) of this section.



Subject to rules and regulations which have been approved by the superintendent as reasonable, each rating bureau shall permit any insurer, not a member, to be a subscriber to its rating services for any kind of insurance, or subdivision or class of risk or a part or combination thereof, for which it is authorized to act as a rating bureau. Notice of proposed changes in such rules and regulations shall be given to subscribers. Each rating bureau shall furnish its rating services without discrimination to its members and subscribers. The reasonableness of any rule or regulation in its application to subscribers, or the refusal of any rating bureau to admit an insurer as a subscriber, shall at the request of any subscriber or any such insurer, be reviewed by the superintendent at a hearing held upon at least ten days' written notice to such rating bureau and to such subscriber or insurer. If the superintendent finds that such rule or regulation is unreasonable in its application to subscribers, he shall order that such rule or regulation is not applicable to subscribers. If the rating bureau fails to grant or reject an insurer's application for subscribership within thirty days after it was made, the insurer may request a review by the superintendent as if the application had been rejected. If the superintendent finds that the insurer has been refused admittance to the rating bureau as a subscriber without justification, he shall order the rating bureau to admit the insurer as a subscriber. If he finds that the action of the rating bureau was justified, he shall make an order affirming its action.

No rating bureau shall adopt any rule which would prohibit or regulate the payment of dividends, savings, or unabsorbed premium deposits allowed or returned by insurers to their policyholders, members, or subscribers.

Co-operation among rating bureaus, or among rating bureaus and insurers, in rate making or in other matters covered by sections 3935.01 to 3935.17, inclusive, of the Revised Code, is authorized, provided the filings resulting from such co-operation are subject to all such sections which are applicable to filings generally. The superintendent may review such co-operative activities and practices and if, after a hearing, he finds that any such activity or practice is unfair, unreasonable, or otherwise inconsistent with such sections, he may issue a written order specifying in what respects such activity or practice is unfair, unreasonable, or otherwise inconsistent, and requiring the discontinuance of such activity or practice.

Any rating bureau may provide for the examination of policies, daily reports, binders, renewal certificates, indorsements, or other evidences of insurance, or the cancellation thereof, and may make



reasonable rules governing their submission. Such rules shall contain a provision that, in the event any insurer does not within sixty days furnish satisfactory evidence to the rating bureau of the correction of any error or omission previously called to its attention by such rating bureau, the rating bureau shall notify the superintendent thereof. All information submitted for such examination shall be confidential.

Any rating bureau may subscribe for or purchase actuarial, technical, or other services, and such services shall be available to all members and subscribers without discrimination.