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Ohio Revised Code

Section 3957.10 Administrative and legal penalties.

Effective: June 30, 2026
Legislation: House Bill 229 - 136th General Assembly

(A) Upon notice and hearing in accordance with Chapter 119. of the Revised Code, the superintendent of insurance may take any of the actions enumerated in division (C) of this section if the superintendent finds that a licensee has done any of the following:

(1) Violated any provision of this chapter, any rule adopted by the superintendent, or any consent agreement or order of the superintendent;

(2) Provided incorrect, misleading, incomplete, or materially false information in the licensure or renewal application;

(3) Obtained or attempted to obtain a license through misrepresentation or fraud;

(4) Misappropriated, converted, or improperly withheld insurance company premiums or contributions, excluding interest earnings received by the licensee that are disclosed in writing to the plan sponsor;

(5) In the transaction of business in this or another state, has been convicted of using fraudulent, coercive, or dishonest practices or has demonstrated incompetence, untrustworthiness, or financial irresponsibility;

(6) Failed to appear in response to a subpoena, examination, warrant, or other order lawfully issued by the superintendent;

(7) Is affiliated with, or is under the same general management or interlocking directorate or ownership of, another pharmacy benefit manager that transacts business in this state and that is not licensed under this chapter;

(8) Had a license or its equivalent denied, suspended, revoked, or not renewed in any other state, district, territory, or province;

(9) Has been, or has an owner that has been, convicted of a financially related felony;

(10) Has been, or has an owner that has been, convicted of or pleaded guilty to or no contest to a felony, regardless of whether a judgment of conviction has been entered by the court.

(B)(1) If the superintendent has information, in the department of insurance's files, from a complaint, or otherwise, that a person has engaged in or is about to engage in conduct described in division (A) of this section, or if the superintendent believes it to be in the best

interest of the public, insurers, and plan sponsors, the superintendent may do either of the following:

(a) Investigate the person, as authorized under this section or in rules adopted by the superintendent;

(b) Issue subpoenas to any person for the purpose of compelling the attendance and testimony of witnesses or the production of books, accounts, papers, records, or documents.

(2) If the person fails to comply with an order or a subpoena issued pursuant to division (B)(1) of this section, upon application of the superintendent, a judge of the court of common pleas of the county in which the individual resides or the entity is located, upon application of the superintendent, shall compel obedience by attachment proceedings for contempt, as in the case of disobedience with respect to the requirements of a subpoena issued from the court or a refusal to testify in the court.

(C) If the superintendent determines that a pharmacy benefit manager licensed under this chapter has engaged in any of the conduct described in division (A) of this section or if the superintendent believes it to be in the best interest of the public, insurers, and plan sponsors, the superintendent may take one or more of the following actions against the pharmacy benefit manager:

(1) Assess a civil penalty in an amount not to exceed fifteen thousand dollars per violation;

(2) Assess administrative costs to cover the expenses incurred by the department in the administrative action, including costs incurred in the investigation and hearing process. Any costs collected shall be paid into the state treasury to the credit of the department of insurance operating fund created in section 3901.021 of the Revised Code.

(3) Suspend the pharmacy benefit manager's license;

(4) Permanently revoke the pharmacy benefit manager's license;

(5) Refuse to issue a license under this chapter to an applicant;

(6) Refuse to renew a pharmacy benefit manager's license;

(7) Prohibit the pharmacy benefit manager licensee from engaging in the business of insurance, or if the licensee is an individual, being employed by a pharmacy benefit manager entity licensed under this chapter. The superintendent may, in the superintendent's discretion, determine the nature, conditions, and duration of these restrictions.

(8) Order corrective action in lieu of or in addition to the other penalties listed in this division. An order for corrective action may provide for the suspension of a civil penalty, license

revocation, license suspension, or refusal to issue or renew a license, if the pharmacy benefit manager complies with the terms and conditions of the corrective action order.

(9) Accept a license surrender for cause by the pharmacy benefit manager. The surrender for cause shall be for at least five years and shall prohibit the pharmacy benefit manager from seeking any license authorized under Title XXXIX of the Revised Code during that time period. A surrender for cause is in lieu of a license revocation or suspension and may include a corrective action order described in division (C)(8) of this section.

(D) Upon receipt of notice of an order of suspension in accordance with sections 119.05 and 119.07 of the Revised Code, the pharmacy benefit manager shall promptly deliver its license to the superintendent, unless the order of suspension is appealed under section 119.12 of the Revised Code.

(E)(1) If a person engages in conduct that is a violation described in division (A) of this section and that has caused, is causing, or is about to cause substantial and material harm, or if the superintendent believes it to be in the best interest of the public, insurers, and plan sponsors, the superintendent may issue an order requiring the person to cease and desist from engaging in the conduct.

(2) Immediately after issuing a cease and desist order under division (E)(1) of this section, the superintendent shall provide notice of the order to all persons known to be involved in the conduct. The notice may be served in accordance with section 119.05 of the Revised Code. Thereafter, the superintendent may publicize or otherwise notify all interested parties that the order has been issued. A notice issued under this division shall specify the particular act, omission, practice, or transaction that is the subject of the cease and desist order, and shall set a date, not more than fifteen days after the date of the order, for a hearing on the continuation or revocation of the order. Each person shall comply with the cease and desist order immediately upon receipt of the notice.

(3) The superintendent shall hold a hearing on the cease and desist order in accordance with Chapter 119. of the Revised Code, to the extent that chapter does not conflict with the procedures otherwise set forth in this section. Upon the application of a party and for good cause shown, the superintendent may continue the hearing. The superintendent shall issue a final order within fifteen days after objections are submitted for the hearing officer's report and recommendation either confirming or revoking the cease and desist order. The final order may be appealed, as provided under section 119.12 of the Revised Code.

(4) A cease and desist order issued under division (E)(1) of this section is cumulative and concurrent with the other remedies available under this section and does not prevent the exercise of any other of those remedies.

(F) If the superintendent has reasonable cause to believe that a person has violated an order issued pursuant to this section, in whole or in part, the superintendent may request that the attorney general commence and prosecute an appropriate action or proceeding in the name of the state against the person. In an action brought pursuant to this division, the court may impose a civil penalty of not more than fifteen thousand dollars for each violation, injunctive relief, restitution, and any other appropriate relief.