



## Ohio Revised Code Section 3959.15 Books and records.

Effective: May 18, 1988

Legislation: House Bill 284 - 117th General Assembly

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- (A) Administrators shall maintain detailed books and records that reflect all administered transactions specifically in regard to premiums or contributions received and deposited and claims and authorized expenses paid.
- (B) The detailed preparation, journalizing, and posting of such books and records shall be made in accordance with the terms and conditions of the service agreement between the administrator and the insurer or plan sponsor and in accordance with the "Employee Retirement and Income Security Act of 1974," 88 Stat. 829, 29 U.S.C. 1001, as amended.
- (C) All books and records maintained by an administrator on behalf of an insurer or plan sponsor for a calendar or fiscal year shall be maintained for the period in which the administrator is providing service for the insurer or plan sponsor.
- (D) Administrators shall maintain a cash receipts register of all premiums or contributions received. The minimum detail required in the register shall be date received and deposited.
- (E) The description of a disbursement shall be in sufficient detail to identify the source document substantiating the purpose of the disbursement, and shall include all of the following:
- (1) The check number;
  - (2) The date of disbursement;
  - (3) The person to whom the disbursement was made;
  - (4) The amount disbursed. If the amount disbursed does not agree with the amount billed or authorized, the administrator shall prepare a written record as to the application for the disbursement.



(F) If the disbursement is for the earned administrative fee or commission, the disbursement shall be supported by a written record reflecting the identifying deposit from which the fee was matched.

(G) All journal entries for receipts and disbursements shall be supported by evidential matter. The evidential matter must be referenced in the journal entry so that it may be traced for verification.

(H) The administrator shall prepare and maintain monthly financial institution account reconciliations if such service is requested by an insurer or plan sponsor as provided in the service agreement by and between the administrator and the insurer or plan sponsor.

(I) The administrator shall prepare a report to be filed with the insurer or plan sponsor within ninety days of the end of the fiscal year of the plan, which discloses at least all of the following:

(1) The total premiums or contributions received from the plan sponsor, covered persons, or beneficiaries;

(2) The total administration fees withdrawn by the administrator pursuant to the written service agreement;

(3) The total claim payments made during the reporting period.

(J) Return premiums or contributions shall be paid to the insurer or plan sponsor or credited to the account of the insurer or plan sponsor within thirty days after receipt by the administrator. If the return premium or contribution is credited to the insurer or plan sponsor, the credit must be shown and applied to the next billing statement sent to the insurer or plan sponsor.

(K) Upon written notification to an administrator by the superintendent of insurance that the administrator has violated any provision of sections 3959.01 to 3959.16 of the Revised Code, the administrator shall have sixty days within which to correct the violation specified in the notice, in compliance with such sections.