

# AN ACT

To amend section 1753.01 and to enact sections 1753.31 to 1753.43 of the Revised Code to apply, with modifications, the National Association of Insurance Commissioners' Risk-Based Capital for Insurers Model Act to health insuring corporations.

*Be it enacted by the General Assembly of the State of Ohio:*

SECTION 1. That section 1753.01 be amended and sections 1753.31, 1753.32, 1753.33, 1753.34, 1753.35, 1753.36, 1753.37, 1753.38, 1753.39, 1753.40, 1753.41, 1753.42, and 1753.43 of the Revised Code be enacted to read as follows:

Sec. 1753.01. As used in this chapter:

(A) "Economic profiling" means a health insuring corporation's use of economic performance data and economic information in determining whether to contract with a provider for the provision of covered health care services to enrollees as a participating provider.

(B) "Basic health care services," "enrollee," "health care facility," "health care services," "health insuring corporation," "medical record," "person," "primary care provider," "provider," ~~and~~ "subscriber," and "supplemental health care services" have the same meanings as in section 1751.01 of the Revised Code.

Sec. 1753.31. As used in sections 1753.31 to 1753.43 of the Revised Code:

(A) "Adjusted RBC report" means an RBC report that has been adjusted by the superintendent of insurance in accordance with division (C) of section 1753.32 of the Revised Code.

(B) "Authorized control level RBC" means the number determined under the risk-based capital formula in accordance with the RBC instructions.

(C) "Company action level RBC" means the product of 2.0 and a health insuring corporation's authorized control level RBC.

(D) "Corrective order" means an order issued by the superintendent of insurance specifying corrective actions that the superintendent determines

are required.

(E) "Domestic health insuring corporation" means a health insuring corporation domiciled in this state.

(F) "Foreign health insuring corporation" means a health insuring corporation holding a certificate of authority under Chapter 1751. of the Revised Code that is domiciled outside of this state.

(G) "Mandatory control level RBC" means the product of .70 and a health insuring corporation's authorized control level RBC.

(H) "NAIC" means the national association of insurance commissioners.

(I) "Net worth" means statutory capital and surplus.

(J) "RBC" means risk-based capital.

(K) "RBC instructions" means the RBC report, including risk-based capital instructions, as adopted by the NAIC and as amended by the NAIC from time to time in accordance with the procedures adopted by the NAIC. "RBC instructions" also includes any modifications adopted by the superintendent of insurance, as the superintendent considers to be necessary.

(L) "RBC level" means a health insuring corporation's action level RBC, regulatory action level RBC, authorized control level RBC, or mandatory control level RBC.

(M) "RBC plan" means a comprehensive financial plan containing the elements specified in division (B) of section 1753.33 of the Revised Code.

(N) "RBC report" means the report required by section 1753.32 of the Revised Code.

(O) "Regulatory action level RBC" means the product of 1.5 and a health insuring corporation's authorized control level RBC.

(P) "Revised RBC plan" means an RBC plan rejected by the superintendent of insurance and then revised by a health insuring corporation with or without incorporating the superintendent's recommendations.

(Q) "Total adjusted capital" means the sum of both of the following:

(1) A health insuring corporation's net worth as determined in accordance with the statutory accounting applicable to the annual financial statements required to be filed under section 1751.32 of the Revised Code;

(2) Such other items, if any, as the RBC instructions may provide.

Sec. 1753.32. (A) Each domestic health insuring corporation shall, on or prior to the first day of March of every year, prepare and submit to the superintendent of insurance a report on its RBC levels as of the end of the calendar year just ended, in a form and containing such information as is required by the RBC instructions. In addition, a domestic health insuring corporation shall file its RBC report as follows:

(1) With the NAIC, in accordance with the RBC instructions;  
(2) With the insurance regulatory authority of any other state in which the health insuring corporation is authorized to do business, if the insurance regulatory authority of that state has sent a written request to the health insuring corporation for the RBC report. The health insuring corporation shall file an RBC report with the requesting state no later than the later of:

(a) Fifteen days after the health insuring corporation's receipt of the insurance regulatory authority's request for the RBC report;

(b) Prior to the first day of March.

(B) A health insuring corporation's RBC levels shall be determined in accordance with the formula set forth in the RBC instructions. The formula shall take the following risks into account, and may adjust for the covariance between these risks, as determined in each case by applying the factors in the manner set forth in the RBC instructions:

(1) Asset risk;

(2) Credit risk;

(3) Underwriting risk;

(4) All other business risks and such other relevant risks as are set forth in the RBC instructions.

(C) If a domestic health insuring corporation files an RBC report that in the judgment of the superintendent is inaccurate, the superintendent shall adjust the RBC report to correct the inaccuracy and then shall provide a copy of the adjusted RBC report to the health insuring corporation. The superintendent shall also provide the health insuring corporation with a statement of the reasons for any adjustment.

(D) In enacting sections 1753.31 to 1753.43 of the Revised Code, the general assembly finds all of the following:

(1) An excess of capital over the amount produced by the risk-based capital requirements of sections 1753.31 to 1753.43 of the Revised Code, and the formulas, schedules, and instructions referenced in sections 1753.31 to 1753.43 of the Revised Code, is desirable in the business of insurance.

(2) Health insuring corporations, accordingly, should seek to maintain capital above the RBC levels required by sections 1753.31 to 1753.43 of the Revised Code.

(3) Additional capital is used and is useful in the business of insurance, helping to secure a health insuring corporation against various risks inherent in, or affecting, the business of insurance, which risks are not accounted for or are only partially measured by the risk-based capital requirements of sections 1753.31 to 1753.43 of the Revised Code.

Sec. 1753.33. (A) For purposes of sections 1753.31 to 1753.43 of the

Revised Code, a "company action level event" is any of the following events:

(1) A health insuring corporation's filing of an RBC report that indicates that the health insuring corporation's total adjusted capital is greater than or equal to its regulatory action level RBC but less than its company action level RBC;

(2) The notification by the superintendent of insurance to a health insuring corporation of an adjustment to the health insuring corporation's RBC report, which adjusted RBC report shows the health insuring corporation's total adjusted capital within the range described in division (A)(1) of this section, provided that the health insuring corporation does not challenge the adjusted RBC report under section 1753.37 of the Revised Code;

(3) The notification by the superintendent to a health insuring corporation, following the hearing required under section 1753.37 of the Revised Code, that the superintendent has rejected the health insuring corporation's challenge to an adjusted RBC report showing the health insuring corporation's total adjusted capital within the range described in division (A)(1) of this section.

(B) In the case of a company action level event, the health insuring corporation shall prepare and submit to the superintendent an RBC plan that shall do all of the following:

(1) Identify the conditions that contributed to the company action level event;

(2) Contain proposals of corrective actions that the health insuring corporation intends to take to eliminate the conditions contributing to the company action level event;

(3) Provide projections of the health insuring corporation's financial results in the current year and at least the two succeeding years, both in the absence of the proposed corrective actions and giving effect to the proposed corrective actions. The projections shall include projections of statutory balance sheets, operating income, net income, capital, surplus, and RBC levels. Projections for both new and renewal business may include separate projections for each major line of business, and may separately identify each significant income, expense, and benefit component of the projection.

(4) Identify the key assumptions impacting the health insuring corporation's projections made pursuant to division (B)(3) of this section, and describe the sensitivity of the projections to the assumptions;

(5) Identify the quality of, and problems associated with, the health insuring corporation's business, including, but not limited to, its assets,

icipated business growth and associated surplus strain, extraordinary exposure to risk, mix of business, and the use of reinsurance, if any, in each case.

(C) The RBC plan shall be submitted within forty-five days after a company action level event. However, if a health insuring corporation has challenged an adjusted RBC report pursuant to section 1753.37 of the Revised Code, an RBC plan need not be submitted unless the superintendent rejects the challenge following the hearing required under section 1753.37 of the Revised Code. If the superintendent rejects the health insuring corporation's challenge, the RBC plan shall be submitted within forty-five days after the superintendent's notification to the health insuring corporation of the superintendent's rejection of the challenge.

(D)(1) Within sixty days after a health insuring corporation submits an RBC plan to the superintendent, the superintendent shall either require the health insuring corporation to implement the RBC plan or notify the health insuring corporation that the RBC plan is unsatisfactory in the judgment of the superintendent. If the superintendent has determined that the RBC plan is unsatisfactory, the notification to the health insuring corporation shall set forth the reasons for the determination, and may set forth proposed revisions that will render the RBC plan satisfactory in the judgment of the superintendent. Upon its receipt of such notification from the superintendent, the health insuring corporation shall prepare and submit a revised RBC plan, which may incorporate by reference any revisions proposed by the superintendent.

(2) If a health insuring corporation challenges, under section 1753.37 of the Revised Code, a notification by the superintendent that the health insuring corporation's RBC plan or a revised RBC plan is unsatisfactory, submission of a revised RBC plan need not be made unless the superintendent rejects the health insuring corporation's challenge and notifies the health insuring corporation of this rejection. A health insuring corporation shall submit a revised RBC plan to the superintendent within forty-five days after receiving notification from the superintendent that its RBC plan is unsatisfactory, or that its challenge to a notification made under division (D)(1) of this section has been rejected, as applicable.

(E) Notwithstanding division (D) of this section, if the superintendent notifies a health insuring corporation that its RBC plan or revised RBC plan is unsatisfactory, the superintendent may, at the superintendent's discretion but subject to the health insuring corporation's right to a hearing under section 1753.37 of the Revised Code, specify in the notification that the notification constitutes a regulatory action level event.

(F) Every domestic health insuring corporation that submits an RBC plan or revised RBC plan to the superintendent shall file a copy of the RBC plan or revised RBC plan with the insurance regulatory authority of every state in which the health insuring corporation is authorized to do business upon receiving the insurance regulatory authority's written request for a copy of the plan, if the state has a confidentiality law substantially similar to section 1753.38 of the Revised Code. The health insuring corporation shall file the copy in that state no later than the later of:

(1) Fifteen days after receiving the request for a copy of the plan;

(2) The date on which the RBC plan or revised RBC plan is filed pursuant to division (C) or (D) of this section.

Sec. 1753.34. (A) For purposes of sections 1753.31 to 1753.43 of the Revised Code, a "regulatory action level event" is any of the following events:

(1) The filing of an RBC report by a health insuring corporation that indicates that the health insuring corporation's total adjusted capital is greater than or equal to its authorized control level RBC but less than its regulatory action level RBC;

(2) The notification by the superintendent of insurance to a health insuring corporation of an adjustment to the health insuring corporation's RBC report, which adjusted RBC report shows the health insuring corporation's total adjusted capital within the range described in division (A)(1) of this section, provided that the health insuring corporation does not challenge the adjusted RBC report under section 1753.37 of the Revised Code;

(3) The notification by the superintendent to a health insuring corporation, following the hearing required under section 1753.37 of the Revised Code, that the superintendent has rejected the health insuring corporation's challenge to an adjusted RBC report showing the health insuring corporation's total adjusted capital within the range described in division (A)(1) of this section;

(4) The failure of a health insuring corporation to file an RBC report by the first day of March of every year, unless the health insuring corporation has provided an explanation for such failure that is satisfactory to the superintendent and has cured the failure within ten days after the filing date;

(5) The failure of a health insuring corporation to submit an RBC plan to the superintendent within the time period set forth in division (C) of section 1753.33 of the Revised Code;

(6) The notification by the superintendent to a health insuring corporation of both of the following:

(a) The RBC plan or revised RBC plan submitted by the health insuring corporation is unsatisfactory in the judgment of the superintendent;

(b) The notification by the superintendent constitutes a regulatory action level event with respect to the health insuring corporation, provided that the health insuring corporation does not challenge the determination under section 1753.37 of the Revised Code.

(7) The notification by the superintendent to a health insuring corporation, following the hearing required under section 1753.37 of the Revised Code, that the superintendent has rejected the health insuring corporation's challenge to the superintendent's determination under division (A)(6) of this section;

(8) The notification by the superintendent to a health insuring corporation that the superintendent has determined that the health insuring corporation has failed to adhere to its RBC plan or revised RBC plan, and this failure has had a substantial adverse effect on the ability of the health insuring corporation to eliminate the conditions leading to the company action level event in accordance with its RBC plan or revised RBC plan, provided that the health insuring corporation does not challenge this determination under section 1753.37 of the Revised Code;

(9) The notification by the superintendent to a health insuring corporation, following the hearing required under section 1753.37 of the Revised Code, that the superintendent has rejected the health insuring corporation's challenge to the superintendent's determination under division (A)(8) of this section.

(B) In the case of a regulatory action level event, the superintendent shall do all of the following:

(1) Require the health insuring corporation to prepare and submit an RBC plan or, if applicable, a revised RBC plan;

(2) Perform such examinations and analyses as the superintendent considers necessary of the assets, liabilities, and operations of the health insuring corporation, including a review of the health insuring corporation's RBC plan or revised RBC plan and the results of any sensitivity tests undertaken pursuant to the RBC instructions;

(3) Issue a corrective order, based upon the examinations and analyses performed under division (B)(2) of this section.

(C)(1) The RBC plan or revised RBC plan required by division (B)(1) of this section shall be submitted to the superintendent within forty-five days after the regulatory action level event, except by a health insuring corporation that files a challenge to an adjusted RBC report or revised RBC plan pursuant to section 1753.37 of the Revised Code. If the superintendent

determines the challenge is frivolous, the time limit for the submission of the RBC plan or revised RBC plan shall not be altered by the filing of the challenge.

(2) If a health insuring corporation files a nonfrivolous challenge to an adjusted RBC report or revised RBC plan, the RBC plan or revised RBC plan required by division (B)(1) of this section shall only be submitted to the superintendent if the superintendent rejects the challenge following the hearing required under section 1753.37 of the Revised Code. If the superintendent rejects the health insuring corporation's challenge, The RBC plan or revised RBC plan shall be submitted within forty-five days after the superintendent's notification to the health insuring corporation of the superintendent's rejection of the challenge.

(D) The superintendent may retain actuaries, investment experts, and such other consultants, as may be necessary in the superintendent's judgment, to review a health insuring corporation's RBC plan or revised RBC plan, to examine or analyze the assets, liabilities, and operation of the health insuring corporation, and to formulate a corrective order for the health insuring corporation. The fees, costs, and expenses relating to these consultants shall be borne by the affected health insuring corporation.

Sec. 1753.35. (A) For purposes of sections 1753.31 to 1753.43 of the Revised Code, an "authorized control level event" is any of the following events:

(1) The filing of an RBC report by a health insuring corporation that indicates that the health insuring corporation's total adjusted capital is greater than or equal to its mandatory control level RBC but less than its authorized control level RBC;

(2) The notification by the superintendent of insurance to a health insuring corporation of an adjustment to the health insuring corporation's RBC report, which adjusted RBC report shows the health insuring corporation's total adjusted capital within the range described in division (A)(1) of this section, provided that the health insuring corporation does not challenge the adjusted RBC report under section 1753.37 of the Revised Code;

(3) The notification by the superintendent to a health insuring corporation, following the hearing required under section 1753.37 of the Revised Code, that the superintendent has rejected the health insuring corporation's challenge to an adjusted RBC report showing the health insuring corporation's total adjusted capital within the range described in division (A)(1) of this section;

(4) The failure of a health insuring corporation to respond, in a manner

satisfactory to the superintendent, to a corrective order issued under division (B)(3) of section 1753.34 of the Revised Code, provided that the health insuring corporation does not challenge the corrective order under section 1753.37 of the Revised Code;

(5) The failure of a health insuring corporation to respond, in a manner satisfactory to the superintendent, to a corrective order issued under division (B)(3) of section 1753.34 of the Revised Code subsequent to the superintendent's modification of an earlier order or the superintendent's rejection of the health insuring corporation's challenge of the order under section 1753.37 of the Revised Code.

(B) In the case of an authorized control level event, the superintendent shall do the following:

(1) Take the actions required under section 1753.34 of the Revised Code for regulatory action level events;

(2) If the superintendent considers it to be in the best interests of the subscribers and creditors of the health insuring corporation and of the public, take such actions as are necessary to place the health insuring corporation under regulatory control under sections 3903.01 to 3903.59 of the Revised Code. The authorized control level event shall be deemed sufficient grounds for the superintendent to take action under sections 3903.01 to 3903.59 of the Revised Code. Nothing in sections 1753.31 to 1753.43 of the Revised Code shall impair or restrict the rights, powers, and protections afforded to the superintendent and to health insuring corporations under sections 3903.01 to 3903.59 of the Revised Code.

Sec. 1753.36. (A) For purposes of sections 1753.31 to 1753.43 of the Revised Code, a "mandatory control level event" is any of the following events:

(1) The filing of an RBC report by a health insuring corporation that indicates that the health insuring corporation's total adjusted capital is less than its mandatory control level RBC;

(2) The notification by the superintendent of insurance to a health insuring corporation of an adjustment to the health insuring corporation's RBC report, which adjusted RBC report shows the health insuring corporation's total adjusted capital at less than its mandatory control level RBC, provided the health insuring corporation does not challenge the adjusted RBC report under section 1753.37 of the Revised Code;

(3) The notification by the superintendent to the health insuring corporation, following the hearing required under section 1753.37 of the Revised Code, that the superintendent has rejected the health insuring corporation's challenge to an adjusted RBC report.

(B) In the case of a mandatory control level event, the superintendent shall take such actions as are necessary to place the health insuring corporation under regulatory control under sections 3903.01 to 3903.59 of the Revised Code. The mandatory control level event shall be deemed sufficient grounds for the superintendent to take action under sections 3903.01 to 3903.59 of the Revised Code. Nothing in sections 1753.31 to 1753.43 of the Revised Code shall impair or restrict the rights, powers, and protections afforded to the superintendent and to health insuring corporations under sections 3903.01 to 3903.59 of the Revised Code. However, the superintendent may defer action under this division for up to ninety days after the mandatory control level event if the superintendent finds that there is a reasonable expectation the health insuring corporation may be able to eliminate the conditions leading to the mandatory control level event within the ninety-day period.

Sec. 1753.37. (A) A health insuring corporation has the right to a confidential hearing upon receiving any of the following from the superintendent of insurance:

(1) An adjusted RBC report;

(2) Notification that the health insuring corporation's RBC plan or revised RBC plan is unsatisfactory and a statement that the notification constitutes a regulatory action level event for the health insuring corporation;

(3) Notification that the superintendent has determined that the health insuring corporation has failed to adhere to its RBC plan or revised RBC plan, which failure has a substantial adverse effect on the ability of the health insuring corporation to eliminate the conditions leading to a company action level event in accordance with its RBC plan or revised RBC plan;

(4) A corrective order issued under division (B)(3) of section 1753.34 of the Revised Code.

(B) A health insuring corporation shall notify the superintendent of its request for a hearing within five days after its receipt of any item listed in division (A) of this section. Upon the superintendent's receipt of the health insuring corporation's request for a hearing, the superintendent shall set a date for the hearing, which date shall be no less than ten days and no more than thirty days after the superintendent's receipt of the health insuring corporation's request.

(C) A health insuring corporation may challenge any determination or action taken by the superintendent under sections 1753.31 to 1753.43 of the Revised Code at the hearing held pursuant to this section.

Sec. 1753.38. (A) The superintendent of insurance shall keep all of the

following confidential:

(1) An RBC report, to the extent that information contained in the report is not required to be included in an annual statement available to the public;

(2) An RBC plan;

(3) The results of, or reports on, examinations or analyses conducted pursuant to division (B)(2) of section 1753.34 of the Revised Code, and a corrective order issued pursuant to division (B)(3) of section 1753.34 of the Revised Code.

A disclosure to the superintendent of these plans, reports, information, and orders does not constitute a waiver of any applicable privilege or claim of confidentiality in the plans, reports, information, and orders.

(B) Notwithstanding division (A) of this section:

(1) The plans, reports, information, and orders described in division (A) of this section may be used by the superintendent in accordance with the insurance laws of this state.

(2) In the performance of the superintendent's duties, the superintendent may share The plans, reports, information, and orders with state, federal, and international regulatory agencies and law enforcement authorities, and with the NAIC and its affiliates and subsidiaries, provided that the recipient agrees to maintain the confidentiality of the plans, reports, information, and orders.

(C)(1) The plans, reports, information, and orders described in division (A) of this section are not public records for purposes of section 149.43 of the Revised Code and shall not be subject to subpoena. The plans, reports, information, and orders shall not be subject to discovery or admissible in evidence in any private civil action.

(2) Neither the superintendent nor any person who receives the plans, reports, information, and orders while acting under the authority of the superintendent shall be permitted or required to testify in any private civil action concerning these plans, reports, information, and orders.

(D) A comparison of a health insuring corporation's total adjusted capital to any of its RBC levels shall not be used to rank health insuring corporations.

(E) RBC instructions, RBC reports, adjusted RBC reports, RBC plans, and revised RBC plans shall not be used by the superintendent for ratemaking, considered or introduced as evidence in any rate proceeding, or used by the superintendent to calculate or derive any elements of an appropriate premium level or rate of return for any line of insurance that a health insuring corporation or any affiliate is authorized to write.

(F) Except as otherwise required under Chapter 1751. or 1753. of the

Revised Code, it is an unfair and deceptive act or practice in the business of insurance under sections 3901.19 to 3901.26 of the Revised Code for any person to make, publish, disseminate, circulate, or place before the public, or to cause, directly or indirectly, to be made, published, disseminated, circulated, or placed before the public, in a newspaper, magazine, or other publication, in the form of a notice, circular, pamphlet, letter, or poster, or over any radio or television station, or in any other manner, an advertisement, announcement, or statement, written or oral, that contains an assertion, representation, or statement, regarding the RBC levels of a health insuring corporation, or any component derived in the calculation of the RBC levels.

(G) If any materially false statement is published comparing a health insuring corporation's total adjusted capital to its RBC levels, or any inappropriate comparison of any other amount to any of the health insuring corporation's RBC levels is published, and the health insuring corporation is able to demonstrate to the superintendent with substantial proof the falsity of the statement or the inappropriateness of the comparison, then the health insuring corporation may publish with the superintendent's approval an announcement in a written publication to rebut the materially false statement or inappropriate comparison.

Sec. 1753.39. (A) Each foreign health insuring corporation shall submit to the superintendent of insurance, upon receiving the superintendent's written request, an RBC report for the calendar year just ended. The health insuring corporation shall submit the RBC report to the superintendent No later than the later of:

(1) The date a domestic health insuring corporation would be required to file an RBC report under section 1753.32 of the Revised Code;

(2) Fifteen days after the superintendent's request is received by the foreign health insuring corporation.

(B) Each foreign health insuring corporation shall, upon receiving the superintendent's written request, promptly submit to the superintendent a copy of any RBC plan or revised RBC plan filed with the insurance regulatory authority of any other state.

(C) The superintendent may require a foreign health insuring corporation to file an RBC plan with the superintendent in the case of a company action level event, regulatory action level event, or authorized control level event involving the foreign health insuring corporation, if the insurance regulatory authority of the state of domicile of the foreign health insuring corporation fails to require the foreign health insuring corporation to file an RBC plan in the manner specified under that state's RBC laws, if

any. The failure of a foreign health insuring corporation to file an RBC plan or revised RBC plan with the superintendent as required shall be grounds for the superintendent to order the health insuring corporation to cease and desist from writing new business in this state.

(D) In the case of a mandatory control level event involving a foreign health insuring corporation, if no domiciliary receiver has been appointed for the foreign health insuring corporation under the rehabilitation and liquidation laws applicable in the state of domicile of the foreign health insuring corporation, the superintendent may make application to the court of common pleas as permitted in sections 3903.50 to 3903.59 of the Revised Code for an order directing the superintendent to liquidate the property of the foreign health insuring corporation found in this state. The occurrence of the mandatory control level event shall be deemed sufficient grounds for the superintendent to make application to the court.

Sec. 1753.40. There shall be no liability on the part of, and no cause of action shall arise against, the superintendent of insurance, or the Department of insurance, its employees, or its agents, for any action taken in their performance of the powers and duties under sections 1753.31 to 1753.43 of the Revised Code.

Sec. 1753.41. Unless otherwise provided, all notices sent to a health insuring corporation by the superintendent of insurance that may result in regulatory action under sections 1753.31 to 1753.43 of the Revised Code shall be effective upon dispatch if transmitted by registered or certified mail. Any other notice transmitted shall be effective upon the health insuring corporation's receipt of the notice.

Sec. 1753.42. The superintendent of insurance may exempt any domestic health insuring corporation from the application of sections 1753.31 to 1753.43 of the Revised Code, if the health insuring corporation meets all of the following requirements:

(A) The health insuring corporation writes direct business in this state only.

(B) The health insuring corporation assumes no reinsurance in excess of five per cent of direct premium written.

(C) The health insuring corporation either:

(1) Writes direct annual premiums of two million dollars or less for basic health care services;

(2) covers less than two thousand enrollees under policies, contracts, certificates, or agreements for supplemental health care services.

Sec. 1753.43. The superintendent of insurance may adopt rules in accordance with Chapter 119. of the Revised Code as are reasonably

ecessary for the implementation and operation of sections 1753.31 to 1753.43 of the Revised Code.

SECTION 2. That existing section 1753.01 of the Revised Code is hereby repealed.

SECTION 3. The authorized control level RBC, as defined by division (B) of section 1753.31 of the Revised Code, as enacted by this act, shall be adjusted for use in reports filed for periods through December 31, 2002. Notwithstanding division (B) of section 1753.31 of the Revised Code, the authorized control level RBC for use in reports filed for the period ending December 31, 2001, shall be the product of 0.80 and the number determined under the risk-based capital formula in accordance with the RBC instructions; the authorized control level RBC for use in reports filed for the period ending December 31, 2002, shall be the product of 0.90 and the number determined under the risk-based capital formula in accordance with the RBC instructions. Thereafter, the authorized control level RBC shall be determined in accordance with division (B) of section 1753.31 of the Revised Code without this adjustment.

---

*Speaker* \_\_\_\_\_ *of the House of Representatives.*

---

*President* \_\_\_\_\_ *of the Senate.*

Passed \_\_\_\_\_, 20\_\_\_\_

Approved \_\_\_\_\_, 20\_\_\_\_

---

Am. H. B. No. 714

16

*Governor.*

The section numbering of law of a general and permanent nature is complete and in conformity with the Revised Code.

---

*Director, Legislative Service Commission.*

Filed in the office of the Secretary of State at Columbus, Ohio, on the \_\_\_ day of \_\_\_\_\_, A. D. 20\_\_\_\_.

---

*Secretary of State.*

File No. \_\_\_\_\_ Effective Date \_\_\_\_\_