



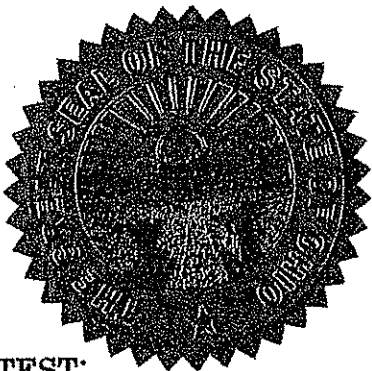
**TED STRICKLAND**  
GOVERNOR  
STATE OF OHIO

### **Executive Order 2008- 24S**

#### **Immediate Adoption of Rules Regarding the Preparation of Risk Based Capital Reports**

- 1. Responsibility of Filing Risk-Based Capital Reports with the Ohio Department of Insurance.** Ohio law requires domestic life insurance companies, and property and casualty insurance companies, to file reports on their Risk-Based Capital ("RBC") levels. These reports, due annually, on or prior to March 1<sup>st</sup>, are filed with the Ohio Department of Insurance ("ODI") and provide ODI with a valuable tool for assessing the financial condition of its licensed domestic life insurance companies, and property and casualty insurance companies.
- 2. Risk-Based Capital Reports Are Governed by Accepted National Standards.** At its September 2008 meeting, the National Association of Insurance Commissioners ("NAIC") amended its Property and Casualty Instructions and at its December 2008 meeting amended its Life Instructions. These Instructions govern the preparation of RBC reports and Section 3903.81(M) of the Ohio Revised Code requires the Superintendent of Insurance to adopt, by rule, any amendments made to the Instructions in order for such amendments to be applicable to any RBC reports that are submitted to ODI.
- 3. Making Amendments to the Instructions Effective December 30, 2008.** In order for domestic life insurance companies, and property and casualty insurance companies, to prepare their RBC reports in accordance with the amended Instructions, amendment of rules in the Ohio Administrative Code regarding the preparation and submission of RBC reports must occur immediately.

4. **Procedure for Immediate Enactment of Rule Changes.** Section 119.03(F) of the Ohio Revised Code authorizes the Governor, at the request of an agency, to suspend the normal rulemaking procedures with respect to a specific rule when an emergency exists necessitating the immediate adoption, amendment or rescission of the rule. When such a determination is made, the agency may immediately adopt, amend, or rescind a rule, but the rule is valid only for ninety (90) days.
5. **Determination of an Emergency.** I believe that an emergency exists justifying the suspension of the normal rulemaking process when the failure to act immediately would negatively impact the citizens of Ohio. ODI has asked me to determine, and I have determined, that the failure to immediately adopt rules requiring domestic life insurance companies, and property and casualty insurance companies to comply with the amended Instructions for filing RBC reports will negatively impact Ohioans by not requiring insurance companies to provide the appropriate information on their financial condition. Therefore, an emergency exists necessitating the immediate adoption of new administrative rules in this regard.
6. **Authorization for Immediate Rule Implementation.** Accordingly, the normal rulemaking procedures are suspended with respect to the adoption of rule 3901-3-14, Life Risk Based Capital Instructions and rule 3901-3-15, Property and Casualty Risk Based Capital Instructions. These rules will be electronically filed by ODI with the Secretary of State, the Director of Legislative Services Commission and the Joint Committee on Agency Rule Review. ODI may, therefore, adopt these rules immediately.
7. I signed this Executive Order on December 30, 2008, in Columbus, Ohio, and it will expire at the end of the ninetieth day it is in effect, March 30, 2009.



*Ted Strickland*  
Ted Strickland, Governor

ATTEST:

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Jennifer Brunner, Secretary of State