



Ohio Senate Bill 140 Proposes Sweeping Changes to Ohio Insurance Laws

By Squire Sanders. Reprinted with Permission.

Overview

Introduced on June 4, 2013, Ohio Senate Bill (S.B.) 140 proposes to make some of the most significant changes to Ohio's insurance laws in recent years. The bill proposes to greatly expand the authority of the Superintendent of the Ohio Department of Insurance (ODI) to examine and obtain books and records of not only insurers but their non-insurance affiliates. The bill also proposes many requirements affecting insurers' operations, from filing and disclosure obligations, reinsurance options, corporate governance and internal controls, risk management programs, intra-holding company system transactions and investment strategies. If the bill is passed, Ohio will be joining a number of other states that have adopted similar laws.

Origin of S.B. 140

Many of the laws proposed by S.B. 140 originate from the revisions to the National Association of Insurance Commissioners

(NAIC) Insurance Holding Company System Regulatory Act in 2011. In light of the financial problems encountered by the American International Group (AIG) and others in the insurance industry, NAIC proposed revisions to its model act, which expands the authority of departments of insurance to unregulated affiliates within an insurance holding company system. The thinking behind those revisions is that an insurer's solvency risk does not reside completely within the insurer; non-insurance affiliates of an insurer may pose a greater risk to the insurer's solvency.

Summary of Changes Proposed by S.B. 140

Examination of Affiliates and Penalty for Insurer – "Play or Pay"

Ohio law currently allows the Superintendent to have access to records of affiliates in cer

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Hamilton County Law Library

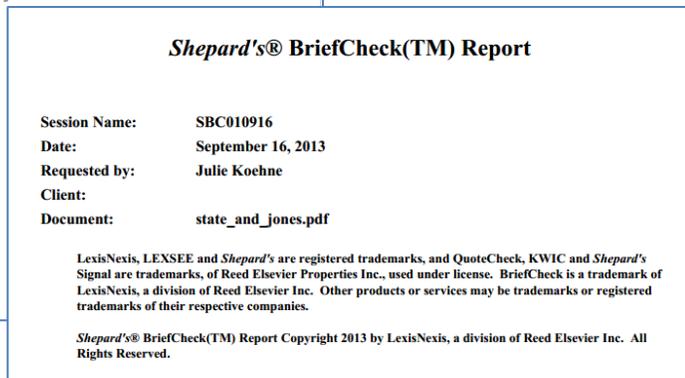
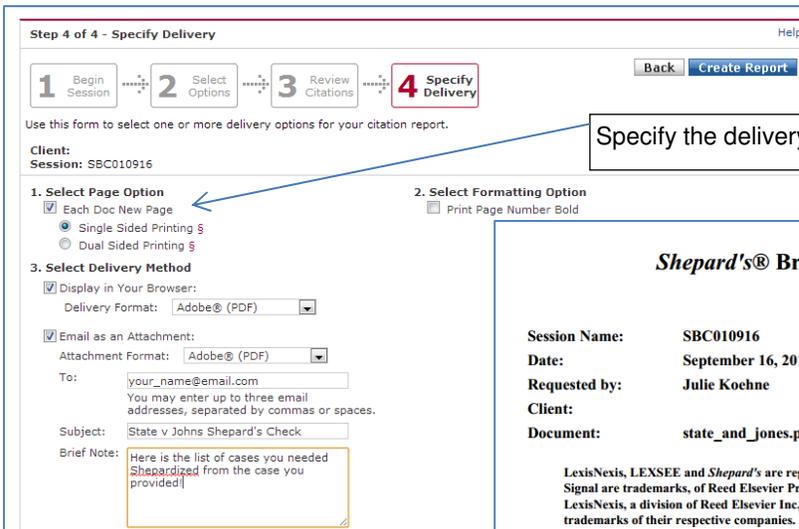
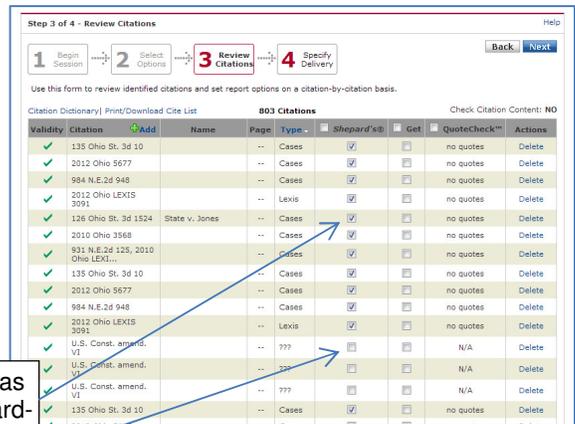
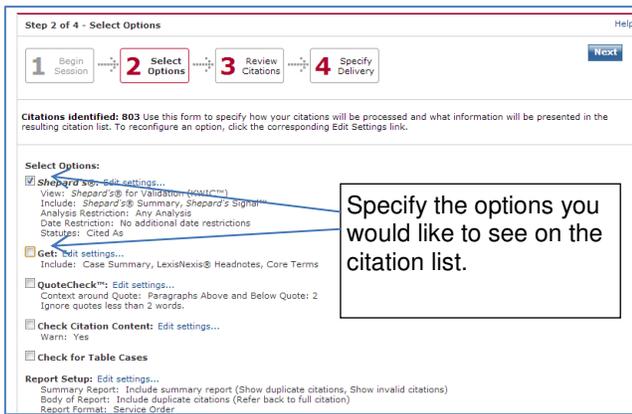
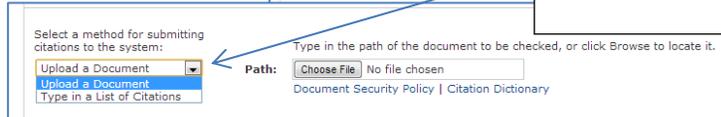
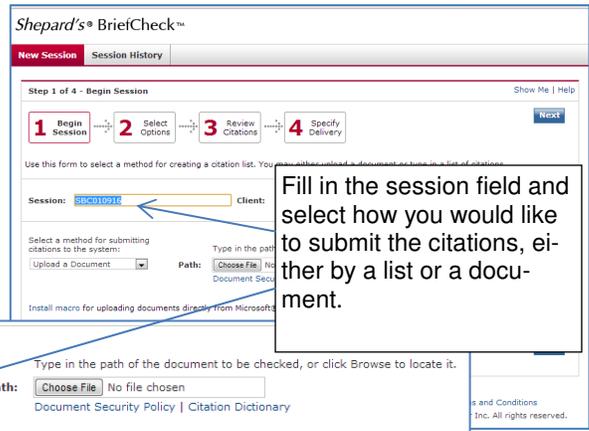
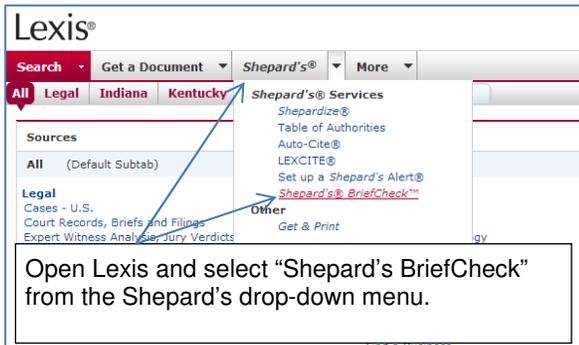
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[www.http://www.hamilton-co.org/cinlawlib/](http://www.hamilton-co.org/cinlawlib/)

Tech Tip: Need to Shepardize a list of cases from a brief or document? Here's how to efficiently check the cases!

By: Julie Koehne, Systems Librarian



Free CLE

Free to subscribers;

\$50 for non-subscribers

To register, call 513.946.5300 or via email
reference@cms.hamilton-co.org

Case Law Searching

Presenter: Laura Dixon-Caldwell

Wednesday, October 30

Noon-1pm

The seminar will demonstrate tips for searching case law on:

- Fastcase
- Loislaw
- Lexis
- Westlaw

1.0 hour of general credit is pending in Ohio and Kentucky

Lexis CLE: Statutes & Secondary Sources

Presenter: Mallory Coakley

Thursday, November 14

Noon-1pm

Approved for 1.0 hour of general credit in Ohio

October Meeting of the Law Library's Board

The Hamilton County Law Library Resources Board is scheduled to meet at Noon on Tuesday, October 3 in the Robert S. Kraft Board Room in the Law Library. Meetings of the board are open to the public. Minutes of previous meetings are online at

<http://www.hamilton-co.org/cinlawlib/about/trustees.html>

Improved Board Room Technologies

We are pleased to announce the mid-September completion of the upgrade to technology in the Law Library's board room. The Law Library uses this space for CLEs, programs for the public, training, videoconferencing, and meetings. Cincinnati-based AVI Systems replaced the projection equipment with a larger screen, a ceiling-mounted lampless projector, and speakers. We have a wall switch for selecting input devices and a wall plate for connecting equipment. The end results are a bigger and clearer picture, better sound quality, a more professional appearance, and the ability to connect HDMI devices. This project was made possible thanks to our budget and a grant made by the Ohio Consortium of County Law Library Resources Boards. If you attend a CLE or videoconference this fall, I hope you will comment on the audiovisual experience.

actionTRACK: Ohio Bills and RC Sections

A service of Hannah News Service, actionTRACK allows us to track legislative developments for our patrons. Is there an issue you're following? We can help you with automated updates for the topic you need to track. Provide a member of our reference staff with an Ohio RC section or a particular bill and we'll set up alerts to send you via email each time a development occurs. We can also pull the bill status or testimony for you. It's easy to get documents like opinions from the Ethics Commission, the AG, the Civil Rights Commission, etc. If you're interested in Ohio statehouse happenings, let's see what we can do to help.

(Continued from page 1)

tain circumstances. The bill gives the Superintendent generous authority to access and examine any affiliate within an insurance holding company system. Any insurer that fails to provide an affiliate's books and records to ODI in a compliance review may face a fine of US\$10,000 per day or suspension/revocation of its license.

Enterprise Risk Report

Under the bill, insurers must prepare and file with the Superintendent a new form called "Enterprise Risk Report." This report requires disclosure of certain financial information of non-insurance affiliates. This form is intended to allow the Superintendent to oversee not only the "enterprise risk" to insurers by non-insurance affiliates, but also material risks that "could be" enterprise risk.

Risk Management Framework; Own Risk and Solvency Assessment

Insurers will be required to establish a risk management framework and to file a summary report of an assessment process referred to as the "Own Risk and Solvency Assessment." This report provides an additional tool for the Superintendent to assess the risk undertaken by an insurer and affiliates and impact on the insurer's solvency.

Alternative Investment Law

An alternative investment law will allow certain insurers to invest according to an alternative set of requirements from existing law. Insurers will be required to submit an application to ODI to take advantage of the alternative investment options. Limits and oversight of the alternative investments are set forth in the proposed law.

Divesture Notice by Controlling Entities of Insurers

Under the bill, any person or entity that owns or controls at least 10% of an insurer must notify the Superintendent of divesture of the ownership or control of the insurer.

Corporate Governance and Internal Controls

The bill requires ODI, through rule-making process, to adopt corporate governance standards and internal controls procedures. It also requires the management of an insurer to attest to their compliance with those standards in the holding company system registration statement. In order to meet the standards and the attestation requirement, insurers may need to start keeping track of directors' attendance of board meetings and to take corrective actions against those that fail to attend to insurer's business on a regular basis.

Operational Standards

The bill has also incorporated many "desk rules" of ODI. For example, the bill requires an insurer to submit audited financial statements of non-insurance affiliates and to seek ODI's prior approval for all transactions between an insurer and affiliates, not just "material transactions" under the current law. Other operational changes contained in the bill include new information standards, and any other accounting and operational standards through rule making by ODI.

Impact on Provider-Sponsored Health Plans

This bill is of particular interest to provider-sponsored health plans because healthcare providers have traditionally not been regulated by ODI. Insurance is a heavily regulated industry. If the bill is passed as proposed, unregulated affiliates of a provider-

sponsored health plan, such as hospitals and other healthcare providers, may be subject to a new level of oversight and regulation to which they may not be currently accustomed.

Status of S.B. 140

This bill is currently under review by the Ohio Senate's Insurance & Financial Institutions Committee. It is likely to be subject to revisions and clarifications as well as comments from healthcare and insurance industry stakeholders.

For more information, contact Squire Sanders at info@squiresanders.com

In case you missed this: Computer room changes

Has it been a while since you have used the Law Library's computer room? Here are the changes you'll notice:

First, the login is no longer your name and borrower number. We changed that last year. Ask a staff member for the new login. Please don't be offended if we need to verify your subscription status first. The computer room is restricted to subscribers and county officials only so we like to make sure we're restricting its use to those groups.

Second, Julie installed Chrome on the computer room computers recently to improve the login process.

Third, you'll see a desktop icon called Databases. Click on that to access the legal information databases.

Questions? [Just ask.](#)

Lexis for Solo Attorneys: Breaking News

Mary Jenkins, Law Librarian & Director

As of this writing, the Law Library is finalizing contract language with LexisNexis for the renewal of the library's Lexis for Solo Attorneys service. Assuming that we will have a signed contract this month, the price per quarter will increase, starting October 1, due to a hike in the library's bill and reduced participation; we must break even. Current subscribers will be notified directly. The new price, effective October 1, is expected to be \$183 quarterly, or, \$732 for October 2013-September 2014. If participation increases by at least five people, this price will be reduced in 2014.

All of our subscribers may continue to use Lexis here on site at no charge. Case law is also available off-site to our current solo and full firm subscribers via Loislaw and Fastcase. This particular Lexis service is available to solo attorneys via password anywhere you have internet access. Note these requirements: Lexis limits this offer to attorneys in solo practice who are not currently Lexis customers. Sharing passwords with non-subscribers is not allowed and will result in revocation of service. Do you want off-site access to Ohio, Kentucky, and Indiana case law and codes, plus Shepard's? As soon as the contract is signed, the new application form and price details will be found at

http://www.hamilton-co.org/cinlawlib/lexis_solos.html.

Subscriber Benefits

All subscribers have access to the following valuable resources and services:

Circulation privileges to borrow from over 40,000 print volumes for up to 6 weeks at a time

Access to extensive electronic databases from the Law Library, including LexisNexis, Shepards', CCH Omnitax, CCH Human Resources Group, and CCH Business Group resources, Hein Online Law Journals and Federal Register, and over 70 Aspen / LOISLaw treatises in 16 substantive areas

Wireless network throughout the Law Library

Polycom videoconferencing

5 meeting rooms with speaker phones

Professional reference service by our law librarians, available via e-mail, telephone, and in person

Free document delivery by fax or e-mail of print and electronic materials

Inexpensive CLE seminars throughout the year, on legal research and substantive topics

In addition, solos and attorneys whose firm has a subscription have 24 hour remote access to Fastcase.com case law, Aspen/ LOISLaw treatises and CCH Newsletters

You and the Legal System: Criminal Law Q&A

Attorney Jon Sinclair is our next speaker in the *You and the Legal System* series for the public. Mr. Sinclair will discuss Criminal Law on Friday, October 11 at noon at the Law Library. The program is a Q&A session that focusing on:

- Criminal Law Basics
- Driving Offenses
- Expungement

The program is free to the public. To register, call 513.946.5300.

Please note that this is not a CLE event; it is intended for the general public. However, attorneys are welcome to attend and may want to pass along the program announcement to clients, staff and community organizations. If you would like more information, please contact Laura Dixon-Caldwell at 513.946.5302.

You and the Legal System is brought to you as a public service by the Hamilton County Law Library, in conjunction with the Cincinnati Bar Association's Lawyer Referral Service.

Save the date for the next event in the *You and the Legal System* series: Credit/ Financial Information on November 8. Speaker TBA.



Healthcare & Health Insurance Resources

The Law Library offers a variety of print and online resources on healthcare and health law. If you have questions about access to any of these resources, just call us at 531.946.5300.

Books

COBRA guide; group health plan continuation coverage
KF3605 .A6 C62 2012

Employee benefit plans and issues for small employers (Tax Management Portfolio)
KF6289.A1 T35 no. 353-4th

Employer's guide to health care reform
KF3821 .H44 2012

Health care fraud and abuse: practical perspectives
KF3605 .H43 2012

Health care reform special alert
KF3821 .T74 2010

Health law practice guide
KF3821 .H435

Know your rights: a handbook for patients with chronic illness
KF3812 .J34 2010

Law, explanation, and analysis of the Patient Protection and Affordable Care Act
KF6276.6201 A369 2010

Mandated Health Benefit; the COBRA guide
KF3605 .A6 H34 2013

Medical Plans: COBRA, HIPAA, HSAs and disability (Tax Management Portfolio)
KF6289.A1 T35 no. 389-5th

Medical Records Privacy Under HIPAA
KF3827.R4 M34 2013

Medicare and Immigration Law
KFO91 .A3 O49 2011

Medicare claims appeal process handbook
KF3608.A4 P47

Medicare Handbook
KF3608 .A4 M436 2013

Multistate guide to benefits law
KF3509 .M8

Online Resources Remote Access* CCH Intelliconnect

COBRA Connections Newsletter
Employee Benefits Management Newsletter
Employee Benefits Sample Documents
Flexible Benefits Answer Book
Health Care Compliance Newsletter
Health Insurance Answer Book
Health Reform Toolkit
Health Savings Account Answer Book
HIPAA: A Guide to Health Care Privacy and Security
Mandated Benefits Compliance Guide
Medicare and Medicaid Guide Newsletter
Patient Protection and Affordable Care Act: Law, Explanation, and Analysis
State by State Guide to Managed Care Law

Helpful Links

Ohio Department of Aging Medicare Info-
<http://aging.ohio.gov/information/medicare/>
Ohio Department of Insurance-
<http://www.insurance.ohio.gov/Pages/default.aspx>
IRS-Affordable Care Act Tax Info-
<http://www.irs.gov/uac/Affordable-Care-Act-Tax-Provisions-Home>
US Department of Health and Human Services-Affordable Care Act info-
<http://www.hhs.gov/opa/affordable-care-act/index.html>

*Remote access is available to subscribers who are solo attorneys or firm attorneys whose entire firm has a subscription to the Law Library.

Upcoming Events:

October 3: Law Library Board Meeting

October 11: You and the Legal System: Criminal Law

October 30: Case Law Searching CLE

November 8: You and the Legal System: Credit & Financial Issues

November 14: Lexis CLE



October 2013 Law Library Newsletter

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ADDRESS CORRECTION REQUESTED

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