

FUNDING THE OFFICE OF FINANCIAL REGULATION SERVICES

March 8, 2002

This Bulletin supersedes and replaces former Bulletin 93-4, which is hereby rescinded.

The annual budget for the Office of Financial Regulation Services is funded by the licensed domestic, foreign and alien insurers pursuant to Section 3901.07 of the Ohio Revised Code (R.C.). The purpose of this Bulletin is to describe the method of billing and collecting expenses incurred by the superintendent in the performance of examination functions authorized and/or required by the Ohio Revised Code.

Expenses associated with conducting financial examinations will be billed directly to the insurer. These expenses are listed under R.C. 3901.07(M)(1), (2) and (3) and primarily include the salaries, travel expenses and all other incidental expenses of personnel conducting the examination. Such expenses billed to the insurer are due upon the insurer's receipt of an invoice from the Department pursuant to R.C. 3901.07(L).

The following expenses under R.C. 3901.07(M)(1)(b), (c), (d), (e), (f), and (M)(4) will be allocated to the licensed domestic, foreign and alien insurers. These expenses are associated with the monitoring of financial solvency of insurers; such as: the review and analysis of the annual and any interim financial statements of insurers licensed in this state; the ongoing evaluation and monitoring of the financial affairs of licensed insurers; the preparation of the premium or franchise tax liability of licensed insurers; the review and evaluation of foreign and alien insurers seeking a license in this state; a portion of the training and continuing education cost of examiners; and an allocated share of all expenses that are necessarily incurred in carrying out the duties of the superintendent under R.C. 3901.07, including the expenses of direct overhead and support staff for the examiners and persons appointed or employed pursuant to R.C. 3901.07(E), (F) and (G). The allocated expenses will be assessed annually based on the following table:

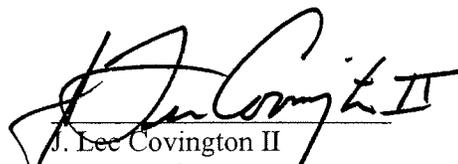
ANNUAL ASSESSMENT

DOMESTIC INSURERS:

Annual Countrywide Direct Premiums	Total Amount Due
\$100,000,000 or Greater	\$29,000
\$50,000,000 to \$99,999,999	\$19,000
\$25,000,000 to \$49,999,999	\$16,000
\$10,000,000 to \$24,999,999	\$13,000
\$ 5,000,000 to \$ 9,999,999	\$ 6,000
\$ 500,000 to \$ 4,999,999	\$ 1,600
Less Than \$ 500,000	\$ 500

For a group of affiliated Ohio domestic insurers, the maximum fee charged will not exceed an aggregate of \$125,000 per group.

FOREIGN AND ALIEN INSURERS: The annual assessment shall be \$650 per insurer.



J. Lee Covington II
Director of Insurance