



State Of Ohio

## Department of Insurance

2100 Stella Court Columbus, Ohio 43266-0566

George V. Voinovich  
Governor

Harold T. Duryee  
Director

BULLETIN  
93-7

TO: All Health Maintenance Organizations with a Certificate of Authority to Operate in Ohio

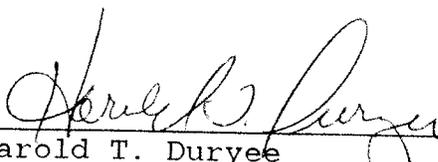
FROM: Harold T. Duryee, Superintendent of Insurance

SUBJECT: Major Modification Filing as to Dividends

DATE: November 19, 1993

There has been some confusion over whether dividends or other distributions to shareholders require a major modification filing under Ohio Revised Code Section 1742.03. Please be advised that the Ohio Department of Insurance requires a major modification filing when an HMO plans a dividend or distribution to its shareholders with a fair market value, together with that of other dividends or distributions made within the preceding twelve months, exceeding fifteen per cent of the HMO's total net worth as of the preceding thirty-first day of December, but shall not include pro rata distributions of any class of the HMO's own securities.

No HMO shall pay or make any such dividend or distribution and the declaration of any such dividend or distribution shall be conditional and shall confer no rights upon shareholders until thirty days after the Superintendent has received the major modification filing and has either approved or not disapproved the filing within the thirty-day period.

  
Harold T. Duryee  
Superintendent of Insurance

