



Instructions for Application for a Health Insuring Corporation Certificate of Authority

**SUBMISSION OF AN APPLICATION FOR A CERTIFICATE OF AUTHORITY
PURSUANT TO OHIO REVISED CODE 1751.03
For a Health Insuring Corporation**

The Office of Risk Assessment (ORA) of the Ohio Department of Insurance (ODI) is responsible for the licensure of Health Insuring Corporations (HICs) in Ohio. The Managed Care Division of ODI assists in the review of the application. Both the Managed Care Division and ORA are responsible for the on-going regulation of HICs.

Pursuant to ORC 1751.04 the Department of Health (ODH) also has regulatory authority in this review process, with the exception of Medicaid only HICs. The Department of Insurance will coordinate the review process with the Department of Health. Contact the ODH at (614) 466-6868. See Form INS9011.

ODI has a 90-day review period after receipt of ODH certification. ODH has 45 days to certify the application. ODI has a 135-day review period for Medicaid only HIC applications.

An applicant must provide:

- I.** Five (four for Medicaid only) copies of an indexed application in a three-ring binder notebook. ODI will forward one copy to ODH (except Medicaid only).
- II.** A \$1,500.00 filing fee made payable to the “State of Ohio Treasurer”.
- III.** Completed INS form 9073, including biographical affidavits using National Association of Insurance Commissioners (NAIC) Uniform Certificate of Authority Application (UCAAA) Form 11, “Biographical Affidavit.” See additional requirements for Item 3 attached regarding verification by an independent third party used by ODI.

The application must include a cover letter describing the filing submission. It cannot include confidential information. Checklists should be used where appropriate.

The Index must follow the statutory outline as indicated below:

1. Certified copy of Articles of Incorporation including amendments
2. Certified copy of Code of Regulations or By-laws, Rules and similar documents
3. Directors and Officers
4. Disclosure statements
5. Description of applicant internal controls for each operational area of the corporation.
6. Enrollment projections
7. Description of the Health Care Plan and all proposed contracts; Certification required for provider contracts (*Medicaid only – reduce to explanation of what will be provided in the health care plan (CFC and / or ABD) and any extra type coverages*)
8. Evidence of coverage and identification card (*n/a for Medicaid only HIC, reference ODJFS requirement*)
9. Group and individual agreements (*n/a for Medicaid only HIC, reference ODJFS requirement*)
10. Schedule of charges and rating--signed certified letter on group rates (*Medicaid only – include ODJFS rate schedules for service area*)
11. Financial plan - three year projections
12. Member grievance procedure
13. Quality assurance program (*n/a for Medicaid only HIC, reference ODJFS requirement*)
14. Service area description
15. All solicitation documents (*n/a for Medicaid only HIC, reference ODJFS requirement*)
16. Financial statements
17. Reinsurance program
18. All agreements including, financial statements, completed biographical affidavit on officers
19. Board Statement
20. Statement regarding submission of monthly financial statements
21. If filing as a foreign corporation, include the name of the Ohio statutory agent
22. Copies of all documents filed with the Secretary of State
23. Location of all books and records--**must be maintained in Ohio**
24. Federal ID #
25. Internal and external organizational chart
26. List assets representing initial net worth of applicant
27. Parent Company's Guaranty, regarding minimum (net worth); needs original signature – *Form INS9071*
28. Names and addresses of Actuary and external auditors
29. If a foreign corporation, a copy of most recent financial statement filed with a regulatory agency in the applicant's state of Domicile
30. A statement from the State of Domicile that it has no objection to the applicant applying for an Ohio license
31. Any other information the Superintendent may require
32. Medicaid only – Evidence of commitment for a \$3 million performance bond or additional \$3 million deposit

Additional requirements pursuant to appropriate indexed item:

- Item 3) Directors and Officers:
- a) Original biographical affidavits on all officers, directors, 10% or greater owners of the voting stock of the applicant and the applicant's controlling parent, and key management must be included.. All biographical affidavits must be notarized in accordance with ORC Chapter 1751.03 (A) (3). Biographical affidavits must be on the NAIC UCAA Form 11, "Biographical Affidavit" available at www.naic.org/industry_ucaa.htm.
 - b) Verification of all biographical affidavits must be provided directly to the ODI by a qualified independent third party used by ODI. See "Independent Third Parties Used for Verification of Biographical Information" at www.insurance.ohio.gov under Risk Assessment within Company Services.
 - c) A statement from the Board of Directors that the assets of the applicant have not been pledged or hypothecated.
 - d) Disclosures on the part of the Board of Directors of any conflict of interest. This must be submitted annually hereafter upon receiving an Ohio Certificate of Authority, and must be filed with the year end financial statement.
- Item 10) Schedule of charges and rating:
- a) Provide the schedule of charges and rating. Provide rate comparisons with Ohio competitors by service area. (Medicaid only – provide ODJFS rate by county/region and type coverage)
- Item 11) Financial plan with a three year projection:
- a) Provide a detailed projected balance sheet and income statement for the first three years of operations on a statutory basis. Include summary calculations of Risk Based Capital percentage for each period.
 - b) The applicant must have the appropriate net worth and demonstrate that it can stay in compliance with the 110% net worth rule.
 - c) Provide a description of assets that make up the initial net worth of the applicant.
 - d) Provide appropriate supporting financial, statistical or actuarial documentation.
- Item 17) Reinsurance program
- a) The applicant must demonstrate that errors and omission insurance and, if appropriate, fidelity insurance will be in place upon receiving an Ohio Certificate of Authority.
 - b) A description of the reinsurance program, to include names of the reinsurers.
- Item 27) Parent Company's Guaranty
- a) Provide a guarantee from the parent company that the applicant will maintain Ohio's minimum net worth. If no parent company exists, then provide a statement regarding the availability of future funds, if needed.
- Item 28) Names and addresses of Actuary and external auditors
- a) Provide background of the person completing and/or responsible for the filing of the financial statements with the Ohio Department of Insurance. This should include experience in statutory accounting principles and reporting to a regulatory authority.

If you have any questions regarding the application process, please call Risk Assessment at (614) 644-2647. For general questions regarding managed care, please contact our Managed Care Division at (614) 644-2661.