

*** DRAFT - NOT YET FILED ***

1301:9-3-05

Necessity of reinsurance or line of credit.

The superintendent of credit unions or the superintendent of insurance may consider the following criteria, among others, in determining if it is actuarially or financially necessary for a credit union share guaranty corporation to obtain reinsurance or a line of credit from one or more insurance companies or financial institutions:

- (A) The operating level of the credit union share guaranty corporation's guarantee fund has not been maintained at the normal operating level as defined by the board of directors of the credit union share guaranty corporation and approved by the superintendent of insurance, and such normal operating level shall at all times not be less than one per cent at a level of one and three tenths per cent of the aggregate share capital of the participating credit unions.
- (B) The ~~capital contribution contributed by~~ insured shares for any participating credit union ~~exceeds~~exceed more than ~~one~~ten per cent of the aggregate insured shares of the guarantee fund.
- (C) Reinsurance is obtained from an insurance company which is not licensed and admitted to do business in the state of Ohio pursuant to Title XXXIX of the Revised Code and where such reinsurance is also not authorized in the state of Ohio.
- (D) Whether reinsurance or a line of credit is reasonably available, as to amount and/or cost, as demonstrated by the Board and management of the credit union share guaranty corporation.

Effective:

Five Year Review (FYR) Dates:

Certification

Date

Promulgated Under:	119.03
Statutory Authority:	1761.04
Rule Amplifies:	1761.06
Prior Effective Dates:	None