

**As Re-reported by the Senate Insurance and Financial Institutions  
Committee**

**133rd General Assembly**

**Regular Session  
2019-2020**

**Am. Sub. H. B. No. 339**

**Representative Merrin**

**Cosponsors: Representatives Baldrige, Carruthers, Ghanbari, Jones, Lanese,  
McClain, Roemer, Rogers, Seitz, Stein, Wiggam**

**Senators Brenner, Hackett, Hottinger, Huffman, S.**

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**A BILL**

To amend sections 167.03, 1317.04, 1317.05, 1  
1751.32, 1751.74, 1751.84, 1753.31, 3901.045, 2  
3901.45, 3901.811, 3901.87, 3902.08, 3903.01, 3  
3903.52, 3903.56, 3903.71, 3903.724, 3903.728, 4  
3903.7211, 3903.74, 3904.01, 3904.16, 3905.051, 5  
3905.14, 3905.84, 3905.85, 3905.87, 3907.15, 6  
3909.04, 3911.24, 3913.11, 3913.40, 3915.05, 7  
3915.053, 3915.073, 3915.13, 3916.171, 3919.14, 8  
3922.11, 3922.14, 3923.021, 3923.04, 3923.53, 9  
3925.09, 3927.08, 3929.04, 3930.10, 3931.03, 10  
3931.99, 3941.46, 3951.04, 3951.06, 3951.10, 11  
3953.14, 3956.01, 3959.01, 3960.07, 3964.19, 12  
3999.16, 4505.11, and 4509.70 and to enact 13  
section 1.301 of the Revised Code to enact the 14  
"Insurance Code Correction Act" to make 15  
technical, corrective, and other changes to the 16  
laws governing insurance. 17

**BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:**

**Section 1.** That sections 167.03, 1317.04, 1317.05, 18  
1751.32, 1751.74, 1751.84, 1753.31, 3901.045, 3901.45, 3901.811, 19  
3901.87, 3902.08, 3903.01, 3903.52, 3903.56, 3903.71, 3903.724, 20  
3903.728, 3903.7211, 3903.74, 3904.01, 3904.16, 3905.051, 21  
3905.14, 3905.84, 3905.85, 3905.87, 3907.15, 3909.04, 3911.24, 22  
3913.11, 3913.40, 3915.05, 3915.053, 3915.073, 3915.13, 23  
3916.171, 3919.14, 3922.11, 3922.14, 3923.021, 3923.04, 3923.53, 24  
3925.09, 3927.08, 3929.04, 3930.10, 3931.03, 3931.99, 3941.46, 25  
3951.04, 3951.06, 3951.10, 3953.14, 3956.01, 3959.01, 3960.07, 26  
3964.19, 3999.16, 4505.11, and 4509.70 be amended and section 27  
1.301 of the Revised Code be enacted to read as follows: 28

**Sec. 1.301.** In enacting H.B. 339 of the 133rd general 29  
assembly with the stated purpose of correcting nonsubstantive 30  
errors in the Revised Code, it is the intent of the general 31  
assembly not to make substantive changes in the law in effect on 32  
the date of such enactment, except for the changes to sections 33  
167.03, 1317.04, 1317.05, 3905.85, 3905.87, 3907.15, 3915.13, 34  
3951.06, 4505.11, and 4509.70 of the Revised Code. Other than 35  
sections 167.03, 1317.04, 1317.05, 3905.85, 3905.87, 3907.15, 36  
3915.13, 3951.06, 4505.11, and 4509.70 of the Revised Code, a 37  
section of the Revised Code affected by H.B. 339 of the 133rd 38  
general assembly shall be construed as a restatement and 39  
correction of, and substituted in a continuing way for, the 40  
corresponding statutory provision existing on its date of 41  
enactment. 42

**Sec. 167.03.** (A) The council shall have the power to: 43

(1) Study such area governmental problems common to two or 44  
more members of the council as it deems appropriate, including 45  
but not limited to matters affecting health, safety, welfare, 46  
education, economic conditions, and regional development; 47

(2) Promote cooperative arrangements and coordinate action among its members, and between its members and other agencies of local or state governments, whether or not within Ohio, and the federal government;

(3) Make recommendations for review and action to the members and other public agencies that perform functions within the region;

(4) Promote cooperative agreements and contracts among its members or other governmental agencies and private persons, corporations, or agencies;

(5) Operate a public safety answering point in accordance with Chapter 128. of the Revised Code;

(6) Perform planning directly by personnel of the council, or under contracts between the council and other public or private planning agencies.

(B) The council may:

(1) Review, evaluate, comment upon, and make recommendations, relative to the planning and programming, and the location, financing, and scheduling of public facility projects within the region and affecting the development of the area;

(2) Act as an areawide agency to perform comprehensive planning for the programming, locating, financing, and scheduling of public facility projects within the region and affecting the development of the area and for other proposed land development or uses, which projects or uses have public metropolitan wide or interjurisdictional significance;

(3) Act as an agency for coordinating, based on

metropolitan wide comprehensive planning and programming, local 76  
public policies, and activities affecting the development of the 77  
region or area. 78

(C) The council may, by appropriate action of the 79  
governing bodies of the members, perform such other functions 80  
and duties as are performed or capable of performance by the 81  
members and necessary or desirable for dealing with problems of 82  
mutual concern. 83

(D) The authority granted to the council by this section 84  
or in any agreement by the members thereof shall not displace 85  
any existing municipal, county, regional, or other planning 86  
commission or planning agency in the exercise of its statutory 87  
powers. 88

(E) A council, with an educational service center as its 89  
fiscal agent, that is established to provide health care 90  
benefits to the council members' officers and employees and 91  
their dependents may contract to administer and coordinate a 92  
self-funded health benefit program of a nonprofit corporation 93  
organized under Chapter 1702. of the Revised Code. A council 94  
operating a program under this division that does not act as an 95  
administrator as defined in section 3959.01 of the Revised Code 96  
does not constitute engaging in the business of insurance and is 97  
not subject to the insurance laws of this state. 98

**Sec. 1317.04.** The written instrument evidencing a retail 99  
installment sale and required by section 1317.02 of the Revised 100  
Code shall recite the following: 101

(A) The cash price of the specific goods. 102

(B) The amount in cash of the retail buyer's down payment, 103  
if any, whether made in money or goods or partly in money or 104

partly in goods. 105

(C) The unpaid balance of the cash price payable by the 106  
retail buyer to the retail seller which is the difference 107  
between divisions (A) and (B). 108

(D) The ~~cost to the retail buyer of amount included for~~ 109  
~~any insurance and the retail buyer has agreed to procure, if the~~ 110  
~~retail seller has agreed to purchase the insurance and extend~~ 111  
~~credit to the retail buyer for the price thereof~~ types of 112  
insurance coverage. 113

(E) The principal balance owed on the retail installment 114  
contract which is the sum total of divisions (C) and (D). 115

(F) The amount of the finance charge. 116

(G) The time balance or indebtedness owed by the retail 117  
buyer to the retail seller and the number of installment 118  
payments required and the amount and date of each payment 119  
necessary finally to pay the time balance which is the sum total 120  
of divisions (E) and (F). 121

Divisions (D) and (F) may be added together and stated as 122  
one sum in the written instrument and if so stated division (E) 123  
may be omitted, but in such event the retail seller or ~~his~~ the 124  
retail seller's successor in interest shall, within twenty-five 125  
days after the making of the retail installment contract, 126  
deliver personally, send by mail, or cause to be sent by mail, 127  
to the retail buyer at ~~his~~ the retail buyer's address as shown 128  
on the retail installment contract, a statement reciting the 129  
separate amounts of divisions (D), (E), and (F). Division (F) 130  
may be stated as a rate, if said rate does not exceed eight per 131  
cent per annum straight interest, in which event the time 132  
balance provided in division (G) need not be stated. 133

The amount and date of each payment need not be separately 134  
listed if the payments are specified in terms of a series of 135  
payments of specified amounts, which amounts may state the 136  
principal amount plus the finance charge in terms of a rate at 137  
specified intervals of time from an initial date. 138

The initial date for the payment of the first installment 139  
may be a calendar date or may refer to the time of delivery or 140  
installation. 141

As used in this section "down payment" means that part of 142  
the payment of the cash price required by the retail seller as a 143  
condition to the delivery of the specific goods sold or to be 144  
sold or to the extension of credit to the retail buyer for any 145  
portion of the cash price. 146

**Sec. 1317.05.** (A) Any retail seller who, in any retail 147  
installment contract, has agreed to purchase insurance for the 148  
retail buyer and to extend credit for the price thereof, 149  
excluding single interest insurance, shall, prior to the due 150  
date of the first installment of the retail installment 151  
contract, deliver to the retail buyer personally, or mail or 152  
cause to be mailed to the retail buyer at the retail buyer's 153  
address as shown on the retail installment contract, the policy 154  
of insurance, or in lieu thereof a certificate of insurance, or 155  
the retail buyer is not liable on the retail buyer's retail 156  
installment contract until the policy, or certificate of 157  
insurance, is received, or full refund is made of the insurance 158  
premium. 159

If the premium for insurance of like kind and amount, as 160  
fixed in the published manual of a recognized standard rating 161  
bureau designated by the retail seller, is less than the amount 162  
charged the retail buyer as fixed in the written instrument in 163

compliance with division (D) of section 1317.04 of the Revised Code, the retail buyer may deduct an amount equal to three times the difference from the amount owed the retail seller, or the retail seller's successor in interest. Sections 1317.01 to 1317.11, ~~inclusive,~~ of the Revised Code do not impair the authority of the superintendent of insurance to grant, renew, or revoke licenses, nor do said sections authorize anyone other than a licensee of the division of insurance to directly or indirectly receive any part of the amount charged for insurance in connection with any retail installment sale.

(B) As used in this division, "debt cancellation or debt suspension product" means a contractual agreement in which a retail seller, or its assignee, agrees for a separate charge to cancel or waive all or a part of amounts due on a retail buyer's retail installment contract in the event of a total physical damage loss or unrecovered theft of the motor vehicle that is the subject of the contract. "Debt cancellation or debt suspension product" includes a guaranteed asset protection waiver, guaranteed auto protection waiver, or other similarly named agreement.

A debt cancellation or debt suspension product, and an addendum to a retail installment contract containing a debt cancellation or debt suspension product, shall be considered a part of the retail installment contract and shall remain a part of that contract upon the assignment, sale, or transfer of that contract. The charge for any debt cancellation or debt suspension product shall be listed as a specific good. The purchase price and the terms of the debt cancellation or debt suspension product shall be disclosed in writing to the buyer. The extension of credit, terms of the credit, or the terms of the related motor vehicle sale or lease shall not be conditioned

on the purchase of the debt cancellation or debt suspension 195  
product. Notwithstanding any other provision of law, a debt 196  
cancellation or debt suspension product shall not be considered 197  
insurance. 198

(C) Single interest insurance shall be listed as a 199  
specific good in a retail installment contract. 200

(D) As used in this section, "single interest insurance" 201  
means insurance that covers only the interest of the holder of 202  
the retail installment contract. 203

**Sec. 1751.32.** Each health insuring corporation, annually, 204  
on or before the first day of March, shall file a report with 205  
the superintendent of insurance, covering the preceding calendar 206  
year. 207

The report shall be verified by an officer of the health 208  
insuring corporation, shall be in the form the superintendent 209  
prescribes, and shall include: 210

(A) A financial statement of the health insuring 211  
corporation, including its balance sheet and receipts and 212  
disbursements for the preceding year, which reflect, at a 213  
minimum: 214

(1) All premium rate and other payments received for 215  
health care services rendered; 216

(2) Expenditures with respect to all categories of 217  
providers, facilities, insurance companies, and other persons 218  
engaged to fulfill obligations of the health insuring 219  
corporation arising out of its health care policies, contracts, 220  
certificates, and agreements; 221

(3) Expenditures for capital improvements or additions 222

thereto, including, but not limited to, construction,	223
renovation, or purchase of facilities and equipment.	224
(B) A description of the enrollee population and	225
composition, group and nongroup;	226
(C) A summary of enrollee written complaints and their	227
disposition;	228
(D) A statement of the number of subscriber policies,	229
contracts, certificates, and agreements that have been	230
terminated by action of the health insuring corporation,	231
including the number of enrollees affected;	232
(E) A summary of the information compiled pursuant to	233
division <del>(B)</del> <u>(A)</u> (5) of section 1751.04 of the Revised Code;	234
(F) A current report of the names and addresses of the	235
persons responsible for the conduct of the affairs of the health	236
insuring corporation as required by section 1751.03 of the	237
Revised Code. Additionally, the report shall include the amount	238
of wages, expense reimbursements, and other payments to these	239
persons for services to the health insuring corporation, and	240
shall include a full disclosure of the financial interests	241
related to the operations of the health insuring corporation	242
acquired by these persons during the preceding year.	243
(G) An actuarial opinion in the form prescribed by the	244
superintendent by rule;	245
(H) Any other information relating to the performance of	246
the health insuring corporation that is necessary to enable the	247
superintendent to carry out the superintendent's duties under	248
this chapter.	249
<b>Sec. 1751.74.</b> (A) To implement a quality assurance program	250

required by section ~~1715.73~~ 1751.73 of the Revised Code, a 251  
health insuring corporation shall do both of the following: 252

(1) Develop and maintain the appropriate infrastructure 253  
and disclosure systems necessary to measure and report, on a 254  
regular basis, the quality of health care services provided to 255  
enrollees, based on a systematic collection, analysis, and 256  
reporting of relevant data. The health insuring corporation 257  
shall assure that a committee that includes participating 258  
physicians have the opportunity to participate in developing, 259  
implementing, and evaluating the quality assurance program and 260  
all other programs implemented by the health insuring 261  
corporation that relate to the utilization of health care 262  
services. A committee that includes participating physicians 263  
shall also have the opportunity to participate in the derivation 264  
of data assessments, statistical analyses, and outcome 265  
interpretations from programs monitoring the utilization of 266  
health care services. 267

(2) Develop and maintain an organizational program for 268  
designing, measuring, assessing, and improving the processes and 269  
outcomes of health care. 270

(B) A quality assurance program shall: 271

(1) Establish an internal system capable of identifying 272  
opportunities to improve health care, which system is structured 273  
to identify practices that result in improved health care 274  
outcomes, to identify problematic utilization patterns, and to 275  
identify those providers that may be responsible for either 276  
exemplary or problematic patterns. The quality assurance program 277  
shall use the findings generated by the system to work on a 278  
continuing basis with participating providers and other staff to 279  
improve the quality of health care services provided to 280

enrollees.	281
(2) Develop a written statement of its objectives, lines	282
of authority and accountability, evaluation tools, and	283
performance improvement activities;	284
(3) Require an annual effectiveness review of the program;	285
(4) Provide a description of how the health insuring	286
corporation intends to do all of the following:	287
(a) Analyze both processes and outcomes of health care,	288
including focused review of individual cases as appropriate, to	289
discern the causes of variation;	290
(b) Identify the targeted diagnoses and treatments to be	291
reviewed by the quality assurance program each year, based on	292
consideration of practices and diagnoses that affect a	293
substantial number of the health insuring corporation's	294
enrollees or that could place enrollees at serious risk;	295
(c) Use a range of appropriate methods to analyze quality	296
of health care, including collection and analysis of information	297
on over-utilization and under-utilization of health care	298
services; evaluation of courses of treatment and outcomes based	299
on current medical research, knowledge, standards, and practice	300
guidelines; and collection and analysis of information specific	301
to enrollees or providers;	302
(d) Compare quality assurance program findings with past	303
performance, internal goals, and external standards;	304
(e) Measure the performance of participating providers and	305
conduct peer review activities;	306
(f) Utilize treatment protocols and practice parameters	307
developed with appropriate clinical input;	308

(g) Implement improvement strategies related to quality assurance program findings; 309  
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(h) Evaluate periodically, but not less than annually, the effectiveness of the improvement strategies. 311  
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**Sec. 1751.84.** (A) Notwithstanding section 3901.71 of the Revised Code, each individual and group health insuring corporation policy, contract, or agreement providing basic health care services that is delivered, issued for delivery, or renewed in this state shall provide coverage for the screening, diagnosis, and treatment of autism spectrum disorder. A health insuring corporation shall not terminate an individual's coverage, or refuse to deliver, execute, issue, amend, adjust, or renew coverage to an individual solely because the individual is diagnosed with or has received treatment for an autism spectrum disorder. Nothing in this section shall be applied to nongrandfathered plans in the individual and small group markets or to medicare supplement, accident-only, specified disease, hospital indemnity, disability income, long-term care, or other limited benefit hospital insurance policies. Except as otherwise provided in division (B) of this section, coverage under this section shall not be subject to dollar limits, deductibles, or coinsurance provisions that are less favorable to an enrollee than the dollar limits, deductibles, or coinsurance provisions that apply to substantially all medical and surgical benefits under the policy, contract, or agreement. 313  
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(B) Benefits provided under this section shall cover, at minimum, all of the following: 334  
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(1) For speech and language therapy or occupational therapy for an enrollee under the age of fourteen that is performed by a licensed therapist, twenty visits per year for 336  
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each service; 339

(2) For clinical therapeutic intervention for an enrollee 340  
under the age of fourteen that is provided by or under the 341  
supervision of a professional who is licensed, certified, or 342  
registered by an appropriate agency of this state to perform 343  
such services in accordance with a health treatment plan, twenty 344  
hours per week; 345

(3) For mental or behavioral health outpatient services 346  
for an enrollee under the age of fourteen that are performed by 347  
a licensed psychologist, psychiatrist, or physician providing 348  
consultation, assessment, development, or oversight of treatment 349  
plans, thirty visits per year. 350

(C) (1) Except as provided in division (C) (2) of this 351  
section, this section shall not be construed as limiting 352  
benefits that are otherwise available to an individual under a 353  
policy, contract, or agreement. 354

(2) A policy, contract, or agreement shall stipulate that 355  
coverage provided under this section be contingent upon both of 356  
the following: 357

(a) The covered individual receiving prior authorization 358  
for the services in question; 359

(b) The services in question being prescribed or ordered 360  
by either a developmental pediatrician or a psychologist trained 361  
in autism. 362

(D) (1) Except for inpatient services, if an enrollee is 363  
receiving treatment for an autism spectrum disorder, a health 364  
insuring corporation may review the treatment plan annually, 365  
unless the health insuring corporation and the enrollee's 366  
treating physician or psychologist agree that a more frequent 367

review is necessary. 368

(2) Any such agreement as described in division (D) (1) of 369  
this section shall apply only to a particular enrollee being 370  
treated for an autism spectrum disorder and shall not apply to 371  
all individuals being treated for autism spectrum disorder by a 372  
physician or psychologist. 373

(3) The health insuring corporation shall cover the cost 374  
of obtaining any review or treatment plan. 375

(E) This section shall not be construed as affecting any 376  
obligation to provide services to an enrollee under an 377  
individualized family service plan, an individualized education 378  
program, or an individualized service plan. 379

(F) As used in this section: 380

(1) "Applied behavior analysis" means the design, 381  
implementation, and evaluation of environmental modifications, 382  
using behavioral stimuli and consequences, to produce socially 383  
significant improvement in human behavior, including the use of 384  
direct observation, measurement, and functional analysis of the 385  
relationship between environment and behavior. 386

(2) "Autism spectrum disorder" means any of the pervasive 387  
developmental disorders or autism spectrum disorder as defined 388  
by the most recent edition of the diagnostic and statistical 389  
manual of mental disorders published by the American psychiatric 390  
association available at the time an individual is first 391  
evaluated for suspected developmental delay. 392

(3) "Clinical therapeutic intervention" means therapies 393  
supported by empirical evidence, which include, but are not 394  
limited to, applied behavioral analysis, that satisfy both of 395  
the following: 396

(a) Are necessary to develop, maintain, or restore, to the	397
maximum extent practicable, the function of an individual;	398
(b) Are provided by or under the supervision of any of the	399
following:	400
(i) A certified Ohio behavior analyst as defined in	401
section 4783.01 of the Revised Code;	402
(ii) An individual licensed under Chapter 4732. of the	403
Revised Code to practice psychology;	404
(iii) An individual licensed under Chapter 4757. of the	405
Revised Code to practice professional counseling, social work,	406
or marriage and family therapy.	407
(4) "Diagnosis of autism spectrum disorder" means	408
medically necessary <del>assessment</del> <u>assessments</u> , evaluations, or	409
tests to diagnose whether an individual has an autism spectrum	410
disorder.	411
(5) "Pharmacy care" means medications prescribed by a	412
licensed physician and any health-related services considered	413
medically necessary to determine the need or effectiveness of	414
the medications.	415
(6) "Psychiatric care" means direct or consultative	416
services provided by a psychiatrist licensed in the state in	417
which the psychiatrist practices.	418
(7) "Psychological care" means direct or consultative	419
services provided by a psychologist licensed in the state in	420
which the psychologist practices.	421
(8) "Therapeutic care" means services provided by a speech	422
therapist, occupational therapist, or physical therapist	423
licensed or certified in the state in which the person	424

practices.	425
(9) "Treatment for autism spectrum disorder" means	426
evidence-based care and related equipment prescribed or ordered	427
for an individual diagnosed with an autism spectrum disorder by	428
a licensed physician who is a developmental pediatrician or a	429
licensed psychologist trained in autism who determines the care	430
to be medically necessary, including any of the following:	431
(a) Clinical therapeutic intervention;	432
(b) Pharmacy care;	433
(c) Psychiatric care;	434
(d) Psychological care;	435
(e) Therapeutic care.	436
(G) If any provision of this section or the application	437
thereof to any person or circumstances is for any reason held to	438
be invalid, the remainder of the section and the application of	439
such remainder to other persons or circumstances shall not be	440
affected thereby.	441
<b>Sec. 1753.31.</b> As used in sections 1753.31 to 1753.43 of	442
the Revised Code:	443
(A) "Adjusted RBC report" means an RBC report that has	444
been adjusted by the superintendent of insurance in accordance	445
with division (C) of section 1753.32 of the Revised Code.	446
(B) "Authorized control level RBC" means the number	447
determined under the risk-based capital formula in accordance	448
with the RBC instructions.	449
<del>(e)</del> <u>(C)</u> "Company action level RBC" means the product of 2.0	450
and a health insuring corporation's authorized control level	451

RBC.	452
(D) "Corrective order" means an order issued by the superintendent of insurance specifying corrective actions that the superintendent determines are required.	453 454 455
(E) "Domestic health insuring corporation" means a health insuring corporation domiciled in this state.	456 457
(F) "Foreign health insuring corporation" means a health insuring corporation holding a certificate of authority under chapter 1751. of the Revised Code that is domiciled outside of this state.	458 459 460 461
<del>(G)</del> (G) "Mandatory control level RBC" means the product of .70 and a health insuring corporation's authorized control level RBC.	462 463 464
(H) "NAIC" means the national association of <del>insurance</del> <u>insurance</u> commissioners.	465 466
(I) "Net worth" means statutory capital and surplus.	467
(J) "RBC" means risk-based capital.	468
(K) "RBC <del>instruction</del> <u>instructions</u> " means the RBC report, including risk-based capital instructions, as adopted by the NAIC and as amended by the NAIC from time to time in accordance with the procedures adopted by the NAIC. "RBC instructions" also includes any modifications adopted by the superintendent of insurance, as the superintendent considers to be necessary.	469 470 471 472 473 474
(L) "RBC level" means a health insuring corporation's action level RBC, regulatory action level RBC, authorized control level RBC, or mandatory control level RBC.	475 476 477
(M) "RBC plan" means a comprehensive financial plan	478

containing the elements specified in division (B) of section 479  
1753.33 of the Revised Code. 480

(N) "RBC report" means the report required by section 481  
1753.32 of the Revised Code. 482

(O) "Regulatory action level RBC" means the product of 1.5 483  
and a health insuring corporation's authorized control level 484  
RBC. 485

(P) "Revised RBC plan" means an RBC plan rejected by the 486  
superintendent of insurance and then revised by a health 487  
insuring corporation with or without incorporating the 488  
superintendent's recommendations. 489

(Q) "Total adjusted capital" means the sum of both of the 490  
following: 491

(1) A health insuring corporation's net worth as 492  
determined in accordance with the statutory accounting 493  
applicable to the annual financial statements required to be 494  
filed under section 1751.32 of the Revised Code; 495

(2) Such other items, if any, as the RBC instructions may 496  
provide. 497

**Sec. 3901.045.** (A) The superintendent of insurance may 498  
receive documents and information, including otherwise 499  
confidential or privileged documents and information, from 500  
local, state, federal, and international regulatory and law 501  
enforcement agencies, from local, state, and federal 502  
prosecutors, and from the national association of insurance 503  
commissioners and its affiliates and subsidiaries, provided that 504  
the superintendent maintains as confidential or privileged any 505  
document or information received with notice or the 506  
understanding that the document or information is confidential 507

or privileged under the laws of the jurisdiction that is the 508  
source of the document or information. 509

(B) The superintendent may also receive documents and 510  
information, including otherwise confidential or privileged 511  
documents and information, from the chief deputy rehabilitator, 512  
the chief deputy liquidator, other deputy rehabilitators and 513  
liquidators, and from any other person employed by, or acting on 514  
behalf of, the superintendent pursuant to Chapter 3901. or 3903. 515  
of the Revised Code, provided that the superintendent maintains 516  
as confidential or privileged any document or information 517  
received with the notice or understanding that the document or 518  
information is confidential or privileged, except that the 519  
superintendent may share and disclose such a document or 520  
information when authorized by other sections of the Revised 521  
Code. 522

(C) The superintendent has the authority to maintain as 523  
confidential or privileged the documents and information 524  
received pursuant to this section. 525

(D) The superintendent's authority to receive documents 526  
and information under this section, from the persons and subject 527  
to the conditions listed in this section, is not limited in any 528  
way by section 1751.19, 3901.36, 3901.44, 3901.48, 3901.70, 529  
3903.11, 3903.722, 3903.7211, 3903.88, ~~3905.492~~, 3905.50, 530  
3922.21, or 3999.36 of the Revised Code. 531

**Sec. 3901.45.** (A) As used in sections 3901.45 and 3901.46 532  
of the Revised Code: 533

(1) "AIDS," "HIV," "AIDS-related condition," and "HIV 534  
test" have the same meanings as in section 3701.24 of the 535  
Revised Code. 536

(2) "Insurer" means any person authorized to engage in the 537  
business of life or sickness and accident insurance under Title 538  
XXXIX of the Revised Code or any person or governmental entity 539  
providing health services coverage for individuals on a self- 540  
insurance basis. 541

(3) "Group policy" means, with respect to life insurance, 542  
a policy covering more than twenty-five individuals and issued 543  
pursuant to section 3917.01 of the Revised Code, and with 544  
respect to sickness and accident insurance, a policy covering 545  
more than twenty-five individuals and issued pursuant to section 546  
3923.11, 3923.12, or 3923.13 of the Revised Code. "Group policy" 547  
includes a certificate of life or sickness and accident 548  
insurance covering more than twenty-five individuals under a 549  
group policy issued to a multiple employer trust. 550

(4) "Individual policy" means, with respect to life 551  
insurance and sickness and accident insurance, a policy other 552  
than a group policy, except that "individual policy" also 553  
includes all of the following: 554

(a) The coverage under a group policy of an individual who 555  
seeks to become a member of an insured group after having 556  
declined a previous offer of coverage under the group policy; 557

(b) An individual who seeks life insurance coverage under 558  
a group policy in excess of the maximum coverage available under 559  
the policy without evidence of insurability; 560

(c) A certificate of life or sickness and accident 561  
insurance covering no more than twenty-five individuals under a 562  
group policy issued to a multiple employer trust. 563

(B) In processing an application for an individual policy 564  
of life or sickness and accident insurance or in determining 565

insurability of an applicant, no insurer shall: 566

(1) Take into consideration an applicant's sexual 567  
orientation; 568

(2) Make any inquiry toward determining an applicant's 569  
sexual orientation or direct any person who provides services to 570  
the insurer to investigate an applicant's sexual orientation; 571

(3) Make a decision adverse to the applicant based on 572  
entries in medical records or other reports that show that the 573  
applicant has sought an HIV test, consultation regarding the 574  
possibility of developing AIDS or an AIDS-related condition, or 575  
counseling for concerns related to AIDS from health care 576  
professionals unless there has been a diagnosis, confirmed by a 577  
positive HIV test, of AIDS or an AIDS-related condition or the 578  
applicant has been treated for either. 579

(C) (1) In developing and asking questions regarding 580  
medical histories and lifestyles of applicants for life or 581  
sickness and accident insurance and in assessing the answers, an 582  
insurer shall not ask questions designed to ascertain the sexual 583  
orientation of the applicant nor use factors such as marital 584  
status, living arrangements, occupation, gender, medical 585  
history, beneficiary designation, or zip code or other 586  
geographic designation to aid in ascertaining the applicant's 587  
sexual orientation. 588

(2) An insurer may ask the applicant if ~~he~~ the applicant 589  
has ever been diagnosed as having AIDS or an AIDS-related 590  
condition. 591

(3) An insurer may ask the applicant specifically whether 592  
~~he~~ the applicant has ever had a positive result on an HIV test. 593  
"Positive result" means a result interpreted as positive in 594

accordance with guidelines developed by the director of health 595  
under division (B) (1) ~~(a)~~ of section 3701.241 of the Revised 596  
Code, even though the applicant may have been tested in another 597  
state. "Positive result" does not mean an initial positive 598  
result that further testing showed to be false. 599

(4) The insurer shall not ask the applicant whether ~~he~~ the 600  
applicant has ever taken an HIV test. 601

(D) (1) Except as provided in division (D) (2) of this 602  
section, no insurer shall cancel a policy of life or sickness 603  
and accident insurance, or refuse to renew a policy of life or 604  
sickness and accident insurance other than a policy that is 605  
renewable at the option of the insurer, based solely on the fact 606  
that, after the effective date of the policy, the policyholder 607  
is diagnosed as having AIDS, an AIDS-related condition, or an 608  
HIV infection. 609

(2) If a policy of life or sickness and accident insurance 610  
provides for a contestability period, an insurer may cancel the 611  
policy during the contestability period if the applicant made a 612  
false statement in the application with regard to the question 613  
of whether ~~he~~ the applicant has been diagnosed as having AIDS, 614  
an AIDS-related condition, or an HIV infection. 615

(E) No insurer shall deliver, issue for delivery, or renew 616  
a policy of life or sickness and accident insurance that limits 617  
benefits or coverage in the event that, after the effective date 618  
of the policy, the insured develops AIDS or an AIDS-related 619  
condition or receives a positive result on an HIV test. 620

(F) An insurer is not required to offer coverage under a 621  
policy of life or sickness and accident insurance to an 622  
individual or group member, or a dependent of an individual or 623

group member, who has AIDS or an AIDS-related condition, or who 624  
has had a positive result on an HIV test. 625

(G) An insurer is not required to continue to provide 626  
coverage under a policy of life or sickness and accident 627  
insurance to an individual or group member, or a dependent of an 628  
individual or group member, if the insurer determines the 629  
individual or group member or dependent of the individual or 630  
group member knew on the effective date of the policy that ~~he~~ 631  
the individual or group member or dependent of the individual or 632  
group member had AIDS, an AIDS-related condition, or a positive 633  
result of an HIV test. 634

(H) A violation of this section is an unfair insurance 635  
practice under sections 3901.19 to 3901.26 of the Revised Code. 636

**Sec. 3901.811.** (A) Except as provided in division (B) of 637  
this section, an auditing entity is subject to all of the 638  
following conditions when performing a pharmacy audit in this 639  
state: 640

(1) If it is necessary that the pharmacy audit be 641  
performed on the premises of a pharmacy, the auditing entity 642  
shall give the pharmacy that is the subject of the audit written 643  
notice of the date or dates on which the audit will be performed 644  
and the range of prescription numbers from which the auditing 645  
entity will select pharmacy records to audit. Notice of the date 646  
or dates on which the audit will be performed shall be given not 647  
less than ten business days before the date the audit is to 648  
commence. Notice of the range of prescription numbers from which 649  
the auditing entity will select pharmacy records to audit shall 650  
be received by the pharmacy not less than seven business days 651  
before the date ~~of~~ the audit is to commence. 652

(2) The auditing entity shall not include in the pharmacy 653  
audit a review of a claim for payment for the provision of 654  
dangerous drugs or pharmacy services if the date of the 655  
pharmacy's initial submission of the claim for payment occurred 656  
more than twenty-four months before the date the audit 657  
commences. 658

(3) Absent an indication that there was an error in the 659  
dispensing of a drug, the auditing entity or payer shall not 660  
seek to recoup from the pharmacy that is the subject of the 661  
audit any amount that the pharmacy audit identifies as being the 662  
result of clerical or recordkeeping errors in the absence of 663  
financial harm. For purposes of this provision, an error in the 664  
dispensing of a drug is any of the following: selecting an 665  
incorrect drug, issuing incorrect directions, or dispensing a 666  
drug to the incorrect patient. 667

(4) The auditing entity shall not use the accounting 668  
practice of extrapolation when calculating a monetary penalty to 669  
be imposed or amount to be recouped as the result of the 670  
pharmacy audit. 671

(B) (1) The condition in division (A) (1) of this section 672  
does not apply if, prior to the audit, the auditing entity has 673  
evidence, from its review of claims data, statements, or 674  
physical evidence or its use of other investigative methods, 675  
indicating that fraud or other intentional or willful 676  
misrepresentation exists. 677

(2) The condition in division (A) (3) of this section does 678  
not apply if the auditing entity has evidence, from its review 679  
of claims data, statements, or physical evidence or its use of 680  
other investigative methods, indicating that fraud or other 681  
intentional or willful misrepresentation exists. 682

(3) Division (A)(4) of this section does not apply when 683  
the accounting practice of extrapolation is required by state or 684  
federal law. 685

**Sec. 3901.87.** (A) No qualified health plan shall provide 686  
coverage for a nontherapeutic abortion. 687

(B) As used in this section: 688

(1) "Nontherapeutic abortion" has the same meaning as in 689  
section ~~124.85-9.04~~ of the Revised Code. 690

(2) "Qualified health plan" means any qualified health 691  
plan as defined in section 1301 of the "Patient Protection and 692  
Affordable Care Act," 42 U.S.C. 18021, offered in this state 693  
through an exchange created under that act. 694

**Sec. 3902.08.** (A) Except as provided in section 3902.03 of 695  
the Revised Code, sections 3902.01 to 3902.08 of the Revised 696  
Code apply to all policy forms filed on or after ~~three years~~ 697  
~~after the effective date of sections 3902.01 to 3902.08 of the~~ 698  
~~Revised Code January 9, 1983.~~ No policy form shall be delivered 699  
or issued for delivery in this state on or after ~~five years~~ 700  
~~after the effective date of sections 3902.01 to 3902.08 of the~~ 701  
~~Revised Code January 9, 1985~~ unless approved by the 702  
superintendent of insurance, or permitted to be issued, pursuant 703  
to sections 3902.01 to 3902.08 of the Revised Code. Any policy 704  
form that has been approved or permitted to be issued prior to 705  
~~five years after the effective date of sections 3902.01 to~~ 706  
~~3902.08 of the Revised Code January 9, 1985,~~ and that meets the 707  
standards set by sections 3902.01 to 3902.08 of the Revised Code 708  
need not be refiled for approval, but may continue to be 709  
lawfully delivered or issued for delivery in this state upon the 710  
filing with the superintendent of a list of such forms 711

identified by form number and accompanied by a certificate as to 712  
each such form in the manner provided in division (D) of section 713  
~~3902.05~~ 3902.04 of the Revised Code. 714

(B) The superintendent may, in ~~his~~ the superintendent's 715  
discretion, extend the dates in division (A) of this section. 716

**Sec. 3903.01.** As used in sections 3903.01 to 3903.59 of 717  
the Revised Code: 718

(A) "Admitted assets" means investment in assets which 719  
will be admitted by the superintendent of insurance pursuant to 720  
the law of this state. 721

(B) "Affiliate" has the same meaning as "affiliate of" or 722  
"affiliated with," as defined in section 3901.32 of the Revised 723  
Code. 724

(C) "Assets" means all property, real and personal, of 725  
every nature and kind whatsoever or any interest therein. 726

(D) "Ancillary state" means any state other than a 727  
domiciliary state. 728

(E) "Commodity contract" means any of the following: 729

(1) A contract for the purchase or sale of a commodity for 730  
future delivery on, or subject to the rules of, a board of trade 731  
designated as a contract market by the commodity futures trading 732  
commission under the "Commodity Exchange Act," 7 U.S.C. 1 et 733  
seq., as amended, or a board of trade outside the United States; 734

(2) An agreement that is subject to regulation under 735  
section 19 of the "Commodity Exchange Act," 7 U.S.C. 23, as 736  
amended, and that is commonly known to the commodities trade as 737  
a margin account, margin contract, leverage account, or leverage 738  
contract; 739

(3) An agreement or transaction that is subject to 740  
regulation under section 4c(b) of the "Commodity Exchange Act," 741  
7 U.S.C. 6c(b), as amended, and that is commonly known to the 742  
commodities trade as a commodity option; 743

(4) Any combination of agreements or transactions 744  
described in division (E) of this section; 745

(5) Any option to enter into an agreement or transaction 746  
described in division (E) of this section. 747

(F) "Creditor" means a person having any claim, whether 748  
matured or unmatured, liquidated or unliquidated, secured or 749  
unsecured, absolute, fixed, or contingent. 750

(G) "Delinquency proceeding" means any proceeding 751  
commenced against an insurer for the purpose of liquidating, 752  
rehabilitating, reorganizing, or conserving the insurer, and any 753  
summary proceeding under section 3903.09 or 3903.10 of the 754  
Revised Code. "Formal delinquency proceeding" means any 755  
liquidation or rehabilitation proceeding. 756

(H) "Doing business" includes any of the following acts, 757  
whether effected by mail or otherwise: 758

(1) The issuance or delivery of contracts of insurance to 759  
persons resident in this state; 760

(2) The solicitation of applications for such contracts, 761  
or other negotiations preliminary to the execution of such 762  
contracts; 763

(3) The collection of premiums, membership fees, 764  
assessments, or other consideration for such contracts; 765

(4) The transaction of matters subsequent to execution of 766  
such contracts and arising out of them; 767

(5) Operating under a license or certificate of authority,	768
as an insurer, issued by the department of insurance.	769
(I) "Domiciliary state" means the state in which an	770
insurer is incorporated or organized, or, in the case of an	771
alien insurer, its state of entry.	772
(J) "Fair consideration" is given for property or	773
obligation when either of the following apply:	774
(1) When in exchange for such property or obligation, as a	775
fair equivalent therefor, and in good faith, property is	776
conveyed, services are rendered, an obligation is incurred, or	777
an antecedent debt is satisfied;	778
(2) When such property or obligation is received in good	779
faith to secure a present advance or antecedent debt in an	780
amount not disproportionately small as compared to the value of	781
the property or obligation obtained.	782
(K) "Federal home loan bank" means an institution	783
chartered under the "Federal Home Loan Bank Act of 1932," 12	784
U.S.C. 1421, et seq.	785
(L) "Foreign country" means any other jurisdiction not in	786
any state.	787
(M) "Forward contract" has the same meaning as in the	788
federal "Deposit Insurance Act," 64 Stat. 884, 12 U.S.C. 1821(e)	789
(8) (D), as now and hereafter amended.	790
(N) "Guaranty association" means the Ohio insurance	791
guaranty association created by section 3955.06 of the Revised	792
Code and any other similar entity hereafter created by the	793
general assembly for the payment of claims of insolvent	794
insurers. "Foreign guaranty association" means any similar	795

entities now in existence in or hereafter created by the	796
legislature of any other state.	797
(O) "Insolvency" or "insolvent" means:	798
(1) For an insurer issuing only assessable fire insurance	799
policies either of the following:	800
(a) The inability to pay any obligation within thirty days	801
after it becomes payable;	802
(b) If an assessment is made within thirty days after such	803
date, the inability to pay the obligation thirty days following	804
the date specified in the first assessment notice issued after	805
the date of loss.	806
(2) For any other insurer, that it is unable to pay its	807
obligations when they are due, or when its admitted assets do	808
not exceed its liabilities plus the greater of either of the	809
following:	810
(a) Any capital and surplus required by law for its	811
organization;	812
(b) The total par or stated value of its authorized and	813
issued capital stock.	814
(3) As to any insurer licensed to do business in this	815
state as of the effective date of sections 3903.01 to 3903.59 of	816
the Revised Code that does not meet the standard established	817
under division <del>(N)</del> <u>(O)</u> (2) of this section, the term "insolvency"	818
or "insolvent" means, for a period not to exceed three years	819
from the effective date of sections 3903.01 to 3903.59 of the	820
Revised Code, that it is unable to pay its obligations when they	821
are due or that its admitted assets do not exceed its	822
liabilities plus any required capital contribution ordered by	823

the superintendent under provisions of Title XXXIX of the Revised Code.

(4) For purposes of divisions ~~(N)~~(O)(2) to (4) of this section, "liabilities" includes, but is not limited to, reserves required by statute or by rules of the superintendent or specific requirements imposed by the superintendent upon a subject company at the time of admission or subsequent thereto.

(P) "Insurer" means any person who has done, purports to do, is doing, or is licensed to do an insurance business, and is or has been subject to the authority of, or to liquidation, rehabilitation, reorganization, supervision, or conservation by, any insurance commissioner, superintendent, or equivalent official. For purposes of sections 3903.01 to 3903.59 of the Revised Code, any other persons included under section 3903.03 of the Revised Code are deemed to be insurers.

(Q) "Netting agreement" means:

(1) A contract or agreement, including a master agreement, and any terms and conditions incorporated by reference in such a contract or agreement, that provides for the netting, liquidation, setoff, termination, acceleration, or close out under or in connection with a qualified financial contract, or any present or future payment or delivery obligations or entitlements under a qualified financial contract, including liquidation or close-out values relating to those obligations or entitlements;

(2) A master agreement, together with all schedules, confirmations, definitions, and addenda to the agreement and transactions under the agreement, which shall be treated as one netting agreement, and any bridge agreement for one or more

master agreements; 853

(3) Any security agreement or arrangement, credit support 854  
document, or guarantee or reimbursement obligation related to 855  
any contract or agreement described in division ~~(P)~~(Q) of this 856  
section. 857

Any contract or agreement described in division ~~(P)~~(Q) of 858  
this section relating to agreements or transactions that are not 859  
qualified financial contracts shall be deemed to be a netting 860  
agreement only with respect to those agreements or transactions 861  
that are qualified financial contracts. 862

(R) "Preferred claim" means any claim with respect to 863  
which the terms of sections 3903.01 to 3903.59 of the Revised 864  
Code accord priority of payment from the assets of the insurer. 865

(S) "Qualified financial contract" means any commodity 866  
contract, forward contract, repurchase agreement, securities 867  
contract, swap agreement, and any similar agreement that the 868  
superintendent may determine by rule or order to be a qualified 869  
financial contract for purposes of this chapter. 870

(T) "Reciprocal state" means any state other than this 871  
state in which in substance and effect division (A) of section 872  
3903.18, and sections 3903.52, 3903.53, and 3903.55 to 3903.57 873  
of the Revised Code are in force, in which provisions are in 874  
force requiring that the superintendent or equivalent official 875  
be the receiver, liquidator, rehabilitator, or conservator of a 876  
delinquent insurer, and in which some provision exists for the 877  
avoidance of fraudulent conveyances and preferential transfers. 878

(U) "Repurchase agreement" has the same meaning as in the 879  
federal "Deposit Insurance Act," 64 Stat. 884, 12 U.S.C. 1821(e) 880  
(8) (D), as now and hereafter amended. 881

(V) "Secured claim" means any claim secured by mortgage, 882  
trust deed, security agreement, pledge, deposit as security, 883  
escrow, or otherwise, but not including special deposit claims 884  
or claims against assets. The term also includes claims which 885  
have become liens upon specific assets by reason of judicial 886  
process. 887

(W) "Securities contract" has the same meaning as in the 888  
federal "Deposit Insurance Act," 64 Stat. 884, 12 U.S.C. 1821(e) 889  
(8) (D), as now and hereafter amended. 890

(X) "Special deposit claim" means any claim secured by a 891  
deposit made pursuant to statute for the security or benefit of 892  
a limited class or classes of persons, but not including any 893  
claim secured by assets. 894

(Y) "State" has the meaning set forth in division (G) of 895  
section 1.59 of the Revised Code. 896

(Z) "Superintendent" or "superintendent of insurance" 897  
means the superintendent of insurance of this state, or, when 898  
the context requires, the superintendent or commissioner of 899  
insurance, or equivalent official, of another state. 900

(AA) "Swap agreement" has the same meaning as in the 901  
federal "Deposit Insurance Act," 64 Stat. 884, 12 U.S.C. 1821(e) 902  
(8) (D), as now and hereafter amended. 903

(BB) "Transfer" includes the sale and every other and 904  
different mode, direct or indirect, of disposing of or of 905  
parting with property or with an interest in property, or with 906  
the possession of property or of fixing a lien upon property or 907  
upon an interest in property, absolutely or conditionally, 908  
voluntarily, or by or without judicial proceedings. The 909  
retention of a security title to property delivered to a debtor 910

shall be deemed a transfer suffered by the debtor. 911

**Sec. 3903.52.** (A) ~~The domiciliary~~ domiciliary liquidator of 912  
an insurer domiciled in a reciprocal state shall, except as to 913  
special deposits and security on secured claims under division 914  
(C) of section 3903.53 of the Revised Code, be vested by 915  
operation of law with the title to all of the assets, property, 916  
contracts, and rights of action, agents' balances, and all of 917  
the books, accounts, and other records of the insurer located in 918  
this state. The date of vesting shall be the date of the filing 919  
of the complaint or petition, if that date is specified by the 920  
domiciliary law for the vesting of property in the domiciliary 921  
state. Otherwise, the date of vesting shall be the date of entry 922  
of the order directing possession to be taken. The domiciliary 923  
liquidator shall have the immediate right to recover balances 924  
due from agents and to obtain possession of the books, accounts, 925  
and other records of the insurer located in this state. ~~He~~ The 926  
domiciliary liquidator also shall have the right to recover all 927  
other assets of the insurer located in this state, subject to 928  
section 3903.53 of the Revised Code. 929

(B) If a domiciliary liquidator is appointed for an 930  
insurer not domiciled in a reciprocal state, the superintendent 931  
of insurance shall be vested by operation of law with the title 932  
to all of the property, contracts, and rights of action, and all 933  
of the books, accounts, and other records of the insurer located 934  
in this state, at the same time that the domiciliary liquidator 935  
is vested with title in the domicile. The superintendent may 936  
file a complaint for a conservation or liquidation order under 937  
section 3903.50 or 3903.51 of the Revised Code, or for an 938  
ancillary receivership under section 3903.53 of the Revised 939  
Code, or after approval by the court may transfer title to the 940  
domiciliary liquidator, as the interests of justice and the 941

equitable distribution of the assets require. 942

(C) Claimants residing in this state may file claims with 943  
the liquidator or ancillary receiver, if any, in this state or 944  
with the domiciliary liquidator, if the domiciliary law permits. 945  
The claims must be filed on or before the last date fixed for 946  
the filing of claims in the domiciliary liquidation proceedings. 947

**Sec. 3903.56.** (A) In a liquidation proceeding in a 948  
reciprocal state against an insurer domiciled in that state, 949  
claimants against the insurer who reside within this state may 950  
file claims either with the ancillary receiver, if any, in this 951  
state, or with the domiciliary liquidator. Claims must be filed 952  
on or before the last dates fixed for the filing of claims in 953  
the domiciliary liquidation proceeding. 954

(B) Claims belonging to claimants residing in this state 955  
may be proved either in the domiciliary state under the law of 956  
that state, or in ancillary proceedings, if any, in this state. 957  
If a claimant elects to prove ~~his~~ the claimant's claim in this 958  
state, ~~he~~ the claimant shall file ~~his~~ the claim with the 959  
liquidator in the manner provided in sections 3903.35 and 960  
3903.36 of the Revised Code. The ancillary receiver shall make 961  
~~his~~ a recommendation to the court as under section ~~3939.43~~ 962  
3903.43 of the Revised Code. ~~He~~ The ancillary receiver shall 963  
also arrange a date for hearing if necessary under section 964  
3903.39 of the Revised Code and shall give notice to the 965  
liquidator in the domiciliary state, either by certified mail or 966  
by personal service at least forty days prior to the date set 967  
for hearing. If the domiciliary liquidator, within thirty days 968  
after the giving of such notice, gives notice in writing to the 969  
ancillary receiver and to the claimant, either by certified mail 970  
or by personal service, of ~~his~~ the domiciliary liquidator's 971

intention to contest the claim, ~~he~~ the domiciliary liquidator 972  
shall be entitled to appear or to be represented in any 973  
proceeding in this state involving the adjudication of the 974  
claim. 975

(C) The final allowance of the claim by the courts of this 976  
state shall be accepted as conclusive as to amount and as to 977  
priority against special deposits or other security located in 978  
this state. 979

**Sec. 3903.71.** If it appears to the superintendent of 980  
insurance upon satisfactory evidence that the affairs of an 981  
insurance company, partnership, association, or reciprocal 982  
insurance exchange, not organized under the laws of this state, 983  
are such that any of the following conditions exist, ~~he~~ the 984  
superintendent shall suspend the authority granted to such 985  
company to do business in this state: 986

(A) It cannot meet the current applicable requirements for 987  
incorporation and commencement of the business of insurance in 988  
this state; 989

(B) It has commenced, or has attempted to commence, any 990  
voluntary liquidation or dissolution proceeding, or any 991  
proceeding to procure the appointment of a ~~receiver~~ receiver, 992  
liquidator, rehabilitator, sequestrator, conservator, or similar 993  
officer for itself; 994

(C) It is the subject of liquidation or dissolution 995  
proceedings undertaken by another state, or any other proceeding 996  
undertaken by another state to procure the appointment of a 997  
~~receiver~~ receiver, liquidator, rehabilitator, sequestrator, 998  
conservator, or similar officer; 999

(D) Its ratio of premium writings to surplus and capital 1000

are unreasonable as determined by the superintendent of 1001  
insurance; 1002

(E) Its further transaction of business would be hazardous 1003  
to its policyholders, contract holders, or the public as shown 1004  
by the following conduct, but not necessarily limited to only 1005  
the following: 1006

(1) Its investments are made so as to make unavailable 1007  
within a reasonable time sufficient moneys to meet promptly any 1008  
demand which might in the ordinary course of business be 1009  
properly made against it; 1010

(2) Any of its officers or directors have embezzled, 1011  
sequestered, or wrongfully diverted any of its assets; 1012

(3) It has willfully violated its charter or any law of 1013  
this state. 1014

If no demand for a hearing is made by the suspended 1015  
company within thirty days after suspension, such suspension 1016  
shall become a revocation of the authority to transact the 1017  
business of insurance in this state. Any such hearing shall be 1018  
held in compliance with sections 119.01 to 119.13 of the Revised 1019  
Code. If during such hearing, satisfactory evidence of any of 1020  
the enumerated conditions of this section is found to exist, the 1021  
superintendent shall revoke the authority to transact the 1022  
business of insurance in this state. 1023

**Sec. 3903.724.** (A) This section shall determine the 1024  
calendar year statutory valuation interest rates (VIR) used in 1025  
determining the minimum standard for the valuation of all of the 1026  
following: 1027

(1) Life insurance policies issued on or after January 1, 1028  
1989; 1029

(2) Individual annuity and pure endowment contracts issued	1030
on or after January 1, 1989;	1031
(3) Annuities and pure endowments purchased on or after	1032
January 1, 1989, under group annuity and pure endowment	1033
contracts;	1034
(4) The net increase, if any, in amounts held under a	1035
guaranteed interest <del>contract</del> <u>contract</u> in a calendar year after	1036
January 1, 1989.	1037
(B) The calendar year statutory valuation interest rates	1038
shall be calculated as follows and the results rounded to the	1039
nearest one-quarter of one per cent:	1040
(1) (a) For life insurance, by adding three per cent to the	1041
result of multiplying W (the applicable weighting factor) by	1042
R(sub-1) minus three per cent (where R(sub-1) is the lesser of	1043
the reference interest rate and nine per cent) and also adding	1044
the result of multiplying one-half of the weighting factor by	1045
R(sub-2) minus nine per cent (where R(sub-2) is the greater of	1046
the reference interest rate and nine per cent), expressed as	1047
follows:	1048
$\text{VIR} = .03 + W (R(\text{sub-1}) - .03) + W/2(R(\text{sub-2}) - .09).$	1049
(b) Provided that if the calendar year statutory valuation	1050
interest rate for a life insurance policy issued in any calendar	1051
year determined in accordance with this division does not differ	1052
from the calendar year valuation interest rate for similar	1053
policies issued in the preceding calendar year by at least one-	1054
half of one per cent, the calendar year valuation interest rate	1055
for the policy shall be equal to the calendar year valuation	1056
interest rate for the preceding calendar year. The calendar year	1057
statutory valuation interest rate shall be determined for 1980	1058

and for each subsequent year prior to the operative date of the 1059  
valuation manual. 1060

(2) For all single premium immediate annuities and for 1061  
annuity benefits involving life contingencies arising from other 1062  
annuities with cash settlement options and from guaranteed 1063  
interest contracts with cash settlement options by adding to 1064  
three per cent the result of multiplying W (the applicable 1065  
weighting factor) by R minus three per cent (where R is the 1066  
reference interest rate), expressed as follows: 1067

$$\text{VIR} = .03 + W (R - .03). \quad 1068$$

(3) Except as provided in division (B) (2) of this section, 1069  
for other annuities with cash settlement options and guaranteed 1070  
interest contracts with cash settlement options, valued on an 1071  
issue year basis, the life insurance formula stated in division 1072  
(B) (1) of this section shall apply to all annuity and guaranteed 1073  
interest contracts with guarantee durations in excess of ten 1074  
years and the formula for single premium immediate annuities 1075  
stated in division (B) (2) of this section shall apply to 1076  
annuities and guaranteed interest contracts with guarantee 1077  
duration of ten years or less. 1078

(4) For other annuities with no cash settlement options 1079  
and for guaranteed interest contracts with no cash settlement 1080  
options, the formula for single premium immediate annuities 1081  
stated in division (B) (2) of this section shall apply. 1082

(5) For other annuities with cash settlement options and 1083  
guaranteed interest contracts with cash settlement options, 1084  
valued on a change in fund basis, the formula for single premium 1085  
immediate annuities stated in division (B) (2) of this section 1086  
shall apply. 1087

(C) For life insurance, the guarantee duration is the maximum number of years the life insurance can remain in force on a basis guaranteed in the policy or under an option to convert to a plan of life insurance with premium rates or nonforfeiture values, or both, guaranteed in the policy.

(D) The weighting factors for the formulas prescribed in division (B) of this section are shown in the following table:

	1	2	
A	Weighting Factors for Life Insurance		
B	Guarantee Duration (Years)	Weighting Factors	
C	10 or less	.50	
D	More than 10, but not more than 20	.45	
E	More than 20	.35	

(E) The weighting factor for single premium immediate annuities and for annuity benefits involving life contingencies arising from other annuity and guaranteed interest contracts with cash settlement options is .80.

(F) Weighting factors for all other annuity and guaranteed interest contracts vary with the type of plan and guarantee duration. The types of plans are as follows:

(1) A plan type A is one in which funds may not be withdrawn or may be withdrawn in only one of three ways:

(a) With an adjustment to reflect changes in interest

rates or asset values since receipt of the funds by the company; 1106

(b) Without such adjustment but in installments over five 1107  
or more years; 1108

(c) As an immediate life annuity. 1109

(2) A plan type B is one in which the funds may not be 1110  
withdrawn before the expiration of the interest rate guarantee 1111  
unless an adjustment is made to reflect changes in interest 1112  
rates or asset values since receipt of the funds by the company 1113  
or unless they are withdrawn in installments over five or more 1114  
years. At the end of the interest rate guarantee, funds may be 1115  
withdrawn in a single sum or in installments over less than five 1116  
years without adjustment. 1117

(3) A plan type C is one in which the funds may be 1118  
withdrawn before the end of the interest rate guarantee in a 1119  
single sum or in installments over less than five years without 1120  
adjustment to reflect changes in interest rates or asset values 1121  
since receipt of the funds by the company or subject only to a 1122  
fixed surrender charge stipulated in the contract as a 1123  
percentage of the fund. 1124

(4) The guarantee duration for an annuity or guaranteed 1125  
interest contract with cash settlement options is the number of 1126  
years for which the contract guarantees interest rates in excess 1127  
of the calendar year valuation interest rate for life insurance 1128  
policies with guarantee duration in excess of twenty years. The 1129  
guarantee duration for annuity and guaranteed interest contracts 1130  
without cash settlement options is the number of years from the 1131  
date of issue or date of purchase to the date annuity benefits 1132  
are scheduled to commence. 1133

(5) Annuity and guaranteed interest contracts with cash 1134

settlement options may be valued on an issue year basis or on a 1135  
change in fund basis. Annuity and guaranteed interest contracts 1136  
without cash settlement options must be valued on an issue year 1137  
basis. As used in this division, an issue year basis of 1138  
valuation refers to a valuation basis under which the interest 1139  
rate used to determine the minimum valuation standard for the 1140  
entire duration of the annuity or guaranteed interest contract 1141  
is the calendar year valuation interest rate for the year of 1142  
issue or year of purchase of the annuity or guaranteed interest 1143  
contract, and the change in fund basis of valuation refers to a 1144  
valuation basis under which the interest rate used to determine 1145  
the minimum valuation standard applicable to each change in the 1146  
fund held under the annuity or guaranteed interest contract is 1147  
the calendar year valuation interest rate for the year of the 1148  
change in the fund. 1149

(6) Weighting factors for other annuities and for 1150  
guaranteed interest contracts, except as stated in division (E) 1151  
of this section, are specified below. 1152

(a) For annuity and guaranteed interest contracts valued 1153  
on an issue year basis: 1154

Weighting Factors for Annuities and Guaranteed Interest 1155  
Contracts 1156

1157

	1	2	3	4
A	Weighting Factor for Plan Type			
B	Guarantee Duration (Years)	A	B	C

C	5 or less	.80	.60	.50
D	More than 5, but not more than 10	.75	.60	.50
E	More than 10, but not more than 20	.65	.50	.45
F	More than 20	.45	.35	.35

(b) For annuities and guaranteed interest contracts valued 1158  
on a change in fund basis, the factors shown in division (F) (6) 1159

(a) of this section increased by the following amounts: 1160

(i) For plan type A, .15; 1161

(ii) For plan type B, .25; 1162

(iii) For plan type C, .05. 1163

(c) For annuities and guaranteed interest contracts valued 1164  
on an issue year basis, other than those with no cash settlement 1165

options, that do not guarantee interest on considerations 1166

received more than one year after issue or purchase and for 1167

annuities and guaranteed interest contracts valued on a change 1168

in fund basis that do not guarantee interest rates on 1169

considerations received more than twelve months beyond the 1170

valuation date, the factors shown in item (F) (6) (a) or derived 1171

in item (F) (6) (b) increased by .05 for all plan types. 1172

(G) The reference interest rate is determined by comparing 1173

the monthly average of the composite yield of the monthly 1174

average on seasoned corporate bonds, as published by Moody's 1175

investors service, inc. for the applicable time period, as 1176

prescribed below: 1177

(1) The reference interest rate for all life insurance is 1178

the lesser of such average over the thirty-six month period and 1179

such average over the twelve-month period ending on the 1180  
thirtieth day of June of the calendar year preceding the year of 1181  
issue. 1182

(2) The reference interest rate for annuity and guaranteed 1183  
interest contracts with cash settlement options, except single 1184  
premium immediate annuities and annuity benefits involving life 1185  
contingencies arising from other annuity and guaranteed interest 1186  
contracts with cash settlement options, valued on an issue year 1187  
basis with guarantee durations in excess of ten years, is the 1188  
lesser of such average over the thirty-six month period and such 1189  
average over the twelve-month period ending on the thirtieth day 1190  
of June of the calendar year of issue or purchase. 1191

(3) The reference interest rate for other annuities with 1192  
cash settlement options and guaranteed interest contracts with 1193  
cash settlement options, valued on a year of issue basis, except 1194  
as stated in division (G) (6) of this section, with guarantee 1195  
duration of ten years or less, such average over the twelve- 1196  
month period ending on the thirtieth day of June of the calendar 1197  
year of issue or purchase. 1198

(4) The reference interest rate for other annuities with 1199  
no cash settlement options and for guaranteed interest contracts 1200  
with no cash settlement options, such average over the twelve- 1201  
month period ending on the thirtieth day of June of the calendar 1202  
year of issue or purchase. 1203

(5) The reference interest rate for all other annuity and 1204  
guaranteed interest contracts with cash settlement options 1205  
valued on a change in fund basis is such average over the 1206  
twelve-month period ending on the thirtieth day of June of the 1207  
calendar year in which a change in the fund occurs. 1208

(6) The reference interest rate for all single premium 1209  
immediate annuities and annuity benefits involving life 1210  
contingencies arising from other annuity and guaranteed interest 1211  
contracts with cash settlement options is such average over the 1212  
twelve-month period ending on the thirtieth day of June of the 1213  
calendar year of issue or purchase. 1214

(7) If such corporate bond rate average is no longer 1215  
published or the national association of insurance commissioners 1216  
determines that such average is no longer appropriate, the 1217  
superintendent may by rule approve the use of any alternative 1218  
method for the determination of the reference interest rate 1219  
adopted by the commissioners. 1220

**Sec. 3903.728.** (A) For policies issued on or after the 1221  
operative date of the valuation manual, the standard prescribed 1222  
in the valuation manual is the minimum standard of valuation 1223  
required under division (B) of section 3903.721 of the Revised 1224  
Code, except as provided under divisions (E) and (G) of this 1225  
section. 1226

(B) The operative date of the valuation manual is January 1227  
1 of the first calendar year following the first July 1 as of 1228  
which all of the following have occurred: 1229

(1) The valuation manual has been adopted by the national 1230  
association of insurance commissioners by an affirmative vote of 1231  
at least forty-two members, or three-fourths of the members 1232  
voting, whichever is greater. 1233

(2) The standard valuation law, as amended by the national 1234  
association of insurance commissioners in 2009, or legislation 1235  
including substantially similar terms and provisions, has been 1236  
enacted by states representing greater than seventy-five per 1237

cent of the direct premiums written as reported in one or more 1238  
of the following annual statements submitted for 2008: life, 1239  
accident, and health annual statements; health annual 1240  
statements; or fraternal annual statements. 1241

(3) The standard valuation law, as amended by the national 1242  
association of insurance commissioners in 2009, or legislation 1243  
including substantially similar terms and provisions, has been 1244  
enacted by at least forty-two of the following fifty-five 1245  
jurisdictions: the fifty states of the United States, American 1246  
Samoa, the American Virgin Islands, the District of Columbia, 1247  
Guam, and Puerto Rico. 1248

(C) Unless a change in the valuation manual specifies a 1249  
later effective date, ~~changes a change~~ to the valuation manual 1250  
shall be effective on January 1 following the date ~~when all of~~ 1251  
~~the following have occurred.~~ 1252

~~(1) The~~ the change to the valuation manual has been 1253  
adopted by the national association of insurance commissioners 1254  
by an affirmative vote representing both of the following: 1255

~~(a) (1)~~ (1) At least three-fourths of the members of the 1256  
national association of insurance commissioners voting, but not 1257  
less than a majority of the total membership; 1258

~~(b) (2)~~ (2) Members of the national association of insurance 1259  
commissioners representing jurisdictions totaling greater than 1260  
seventy-five per cent of the direct premiums written as reported 1261  
in one or more of the following annual statements most recently 1262  
available prior to the vote in division (C) (1) ~~(a)~~ of this 1263  
section: life, accident, and health annual statements; health 1264  
annual statements; or fraternal annual statements. 1265

(D) The valuation manual shall specify all of the 1266

following:	1267
(1) Minimum valuation standards for and definitions of the policies or contracts subject to division (B) of section 3903.721 of the Revised Code. The minimum valuation standards shall be:	1268
(a) The commissioners reserve valuation method for life insurance contracts, other than annuity contracts, subject to division (B) of section 3903.721 of the Revised Code;	1269
(b) The commissioners annuity reserve valuation method for annuity contracts subject to division (B) of section 3903.721 of the Revised Code;	1270
(c) Minimum reserves for all other policies or contracts subject to division (B) of section 3903.721 of the Revised Code.	1271
(2) Which policies or contracts or types of policies or contracts are subject to the requirements of a principle-based valuation in division (A) of section 3903.729 of the Revised Code and the minimum valuation standards consistent with those requirements.	1272
(3) For policies and contracts subject to a principle-based valuation under section 3903.729 of the Revised Code:	1273
(a) Requirements for the format of reports to the superintendent under division (B) (3) of section 3903.729 of the Revised Code that shall include information necessary to determine if the valuation is appropriate and in compliance with sections 3903.72 to 3903.7211 of the Revised Code.	1274
(b) Assumptions for risks over which the company does not have significant control or influence.	1275
(c) Procedures for corporate governance and oversight of	1276
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the actuarial function, and a process for appropriate waiver or 1295  
modification of such procedures. 1296

(4) For policies not subject to a principle-based 1297  
valuation under section 3903.729 of the Revised Code, the 1298  
minimum valuation standard, which shall be or do either of the 1299  
following: 1300

(a) Be consistent with the minimum standard of valuation 1301  
prior to the operative date of the valuation manual; 1302

(b) Develop reserves that quantify the benefits and 1303  
guarantees, and the funding, associated with the contracts and 1304  
their risks at a level of conservatism that reflects conditions 1305  
that include unfavorable events that have a reasonable 1306  
probability of occurring. 1307

(5) Other requirements, including those relating to 1308  
reserve methods, models for measuring risk, generation of 1309  
economic scenarios, assumptions, margins, use of company 1310  
experience, risk measurement, disclosure, certifications, 1311  
reports, actuarial opinions and memorandums, transition rules, 1312  
and internal controls; 1313

(6) The data and form of the data required under section 1314  
3903.7210 of the Revised Code, with whom the data must be 1315  
submitted, and other requirements specified by the 1316  
superintendent, which may include data analyses and reporting of 1317  
analyses. 1318

(E) In the absence of a specific valuation requirement or 1319  
if a specific valuation requirement in the valuation manual is 1320  
not, in the opinion of the superintendent, in compliance with 1321  
sections 3903.72 to 3903.7211 of the Revised Code, then the 1322  
company shall, with respect to such requirements, comply with 1323

minimum valuation standards prescribed in rules adopted by the 1324  
superintendent. 1325

(F) The superintendent may engage a qualified actuary, at 1326  
the expense of the company, to perform an actuarial examination 1327  
of the company and opine on the appropriateness of any reserve 1328  
assumption or method used by the company, or to review and opine 1329  
on a company's compliance with any requirement set forth in 1330  
sections 3903.72 to 3903.7211 of the Revised Code. The 1331  
superintendent may rely upon the opinion, regarding provisions 1332  
contained within sections 3903.72 to 3903.7211 of the Revised 1333  
Code, of a qualified actuary engaged by the insurance 1334  
commissioner of another state, district, or territory of the 1335  
United States. As used in this division, the term "engage" 1336  
includes employment and contracting. 1337

(G) The superintendent may require a company to change any 1338  
assumption or method that in the opinion of the superintendent 1339  
is necessary in order to comply with the requirements of the 1340  
valuation manual or sections 3903.72 to 3903.7211 of the Revised 1341  
Code, and the company shall adjust the reserves as required by 1342  
the superintendent. The superintendent may take other 1343  
disciplinary action as permitted under applicable laws. 1344

**Sec. 3903.7211.** (A) As used in this section: 1345

(1) "Confidential information" means all of the following: 1346

(a) A memorandum in support of an opinion submitted under 1347  
sections 3903.722 and 3903.726 of the Revised Code and any other 1348  
documents, materials, and other information, including all 1349  
working papers, and copies thereof, created, produced, or 1350  
obtained by or disclosed to the superintendent or any other 1351  
person in connection with such memorandum. 1352

(b) (i) Except as provided in division (A) (1) (b) (ii) of 1353  
this section, all documents, materials, and other information, 1354  
including all working papers, and copies thereof, created, 1355  
produced, or obtained by or disclosed to the superintendent or 1356  
any other person in the course of an examination made under 1357  
division (F) of section 3903.728 of the Revised Code. 1358

(ii) If an examination report or other material prepared 1359  
in connection with an examination made under section 3901.07 of 1360  
the Revised Code is not held as private and confidential 1361  
information under that section, an examination report or other 1362  
material prepared in connection with an examination made under 1363  
division (F) of section 3903.728 of the Revised Code shall not 1364  
be considered confidential information to the same extent as if 1365  
such examination report or other material had been prepared 1366  
under section 3901.07 of the Revised Code. 1367

(c) Any reports, documents, materials, and other 1368  
information developed by a company in support of, or in 1369  
connection with, an annual certification by the company under 1370  
division (B) (2) of section 3903.729 of the Revised Code 1371  
evaluating the effectiveness of the company's internal controls 1372  
with respect to a principle-based valuation and any other 1373  
documents, materials, and other information, including all 1374  
working papers, and copies thereof, created, produced, or 1375  
obtained by or disclosed to the superintendent or any other 1376  
person in connection with such reports, documents, materials, 1377  
and other information; 1378

(d) Any principle-based valuation report developed under 1379  
division (B) (3) of section 3903.729 of the Revised Code and any 1380  
other documents, materials, and other information, including all 1381  
working papers, and copies thereof, created, produced, or 1382

obtained by or disclosed to the superintendent or any other 1383  
person in connection with such report; 1384

(e) Any documents, materials, data, and other information 1385  
submitted by a company under section 3903.7210 of the Revised 1386  
Code, referred to collectively as "experience data," and any 1387  
other documents, materials, data, and other information, 1388  
including all working papers, and copies thereof, created or 1389  
produced in connection with such experience data, in each case 1390  
that include any potentially company-identifying or personally 1391  
identifiable information, that is provided to or obtained by the 1392  
superintendent, which when combined with any experience data is 1393  
referred to as "experience materials," and any other documents, 1394  
materials, data, and other information, including all working 1395  
papers, and copies thereof, created, produced, or obtained by or 1396  
disclosed to the superintendent or any other person in 1397  
connection with such experience materials. 1398

(2) "Regulatory agency," "law enforcement agency," and the 1399  
"national association of insurance commissioners" includes their 1400  
employees, agents, consultants, and contractors. 1401

(B) (1) Except as provided in division (B) (2) of this 1402  
section and as otherwise provided in this section, a company's 1403  
confidential information is confidential by law and privileged, 1404  
is not a public record under section 149.43 of the Revised Code, 1405  
shall not be subject to subpoena, and shall not be subject to 1406  
discovery or admissible in evidence in any private civil action. 1407  
Except as otherwise provided in this section, neither the 1408  
superintendent nor any person who received confidential 1409  
information while acting under the superintendent's authority 1410  
shall be permitted or required to testify in any private civil 1411  
action concerning that confidential information. 1412

(2) The superintendent is authorized to use the confidential information in the furtherance of any regulatory or legal action brought against the company as a part of the superintendent's official duties.

(C) (1) In order to assist in the performance of the superintendent's duties, the superintendent may share confidential information with all of the following:

(a) Other state, federal, and international regulatory agencies;

(b) The national association of insurance commissioners and its affiliates and subsidiaries;

(c) The actuarial board for counseling and discipline, or its successor, in the case of confidential information specified in divisions (A) (1) (a) and (d) of this section only, upon a request stating that the confidential information is required for the purpose of professional disciplinary proceedings;

(d) State, federal, and international law enforcement officials.

(2) The superintendent may share confidential information as specified in divisions (C) (1) (a) through (d) of this section only if the recipient agrees, and has the legal authority to agree, to maintain the confidentiality and privileged status of such documents, materials, data, and other information in the same manner and to the same extent as required for the superintendent.

(D) The superintendent may receive documents, materials, data, and other information, including otherwise confidential and privileged documents, materials, data, or information, from the national association of insurance commissioners and its

affiliates and subsidiaries, from regulatory or law enforcement 1442  
officials of other foreign or domestic jurisdictions, and from 1443  
the actuarial board for counseling and discipline or its 1444  
successor. The superintendent shall maintain as confidential or 1445  
privileged any document, material, data, or other information 1446  
received with notice or the understanding that it is 1447  
confidential or privileged under the laws of the jurisdiction 1448  
that is the source of the document, material, data, or other 1449  
information. 1450

(E) The superintendent may enter into agreements governing 1451  
sharing and use of information consistent with this section. 1452

(F) No waiver of any applicable privilege or claim of 1453  
confidentiality in the confidential information shall occur as a 1454  
result of disclosure to the superintendent under this section or 1455  
as a result of sharing as authorized in division (C) of this 1456  
section. 1457

(G) A privilege established under the law of any state or 1458  
jurisdiction that is substantially similar to the privilege 1459  
established under this section shall be available and enforced 1460  
in any proceeding in, and in any court of, this state. 1461

(H) Notwithstanding divisions (B) to (G) of this section, 1462  
any confidential information specified in divisions (A) (1) (a) 1463  
and (d) of this section are subject to all of the following: 1464

(1) The confidential information may be subject to 1465  
subpoena for the purpose of defending an action seeking damages 1466  
from the appointed actuary submitting the related memorandum in 1467  
support of an opinion submitted under sections 3903.722 and 1468  
3903.726 of the Revised Code or principle-based valuation report 1469  
developed under division (B) (3) of section 3903.729 of the 1470

Revised Code by reason of an action required by sections 3903.72 1471  
to 3903.7211 of the Revised Code or by rules adopted pursuant to 1472  
those sections. 1473

(2) The confidential information may otherwise be released 1474  
by the superintendent with the written consent of the company. 1475

(3) Once any portion of a memorandum in support of an 1476  
opinion submitted under section 3903.722~~and or~~ 3903.726 of the 1477  
Revised Code or a principle-based valuation report developed 1478  
under division (B) (3) of section 3903.729 of the Revised Code is 1479  
cited by the company in its marketing or is publicly volunteered 1480  
to or before a governmental agency other than a state insurance 1481  
department or is released by the company to the news media, all 1482  
portions of that memorandum or report shall no longer be 1483  
confidential. 1484

**Sec. 3903.74.** If any company, corporation, or association 1485  
required by law to make a deposit with the superintendent of 1486  
insurance, or other state officer, to secure the contracts ~~or of~~ 1487  
of such company, corporation, or association, or for any other 1488  
purpose, fails to pay any of its liabilities upon such 1489  
contracts, or other obligations, according to the terms thereof 1490  
after the liability thereon has been determined, or if such 1491  
company, corporation, or association, having ceased to do 1492  
business~~with~~ within this state, leaves unpaid any such 1493  
liability or has become insolvent, the attorney general, on 1494  
behalf of the superintendent, or such other officer, and upon 1495  
the application of any person entitled to participate in such 1496  
deposit, or the proceeds arising therefrom, shall commence a 1497  
civil action in the court of common pleas of Franklin county, 1498  
making the company, corporation, or association a party 1499  
defendant, to determine the rights of all parties claiming any 1500

interest in such deposit, to subject the deposit to the payment 1501  
or satisfaction of all liabilities, and to distribute such fund 1502  
among the persons entitled thereto. 1503

**Sec. 3904.01.** As used in sections 3904.01 to 3904.22 of 1504  
the Revised Code: 1505

(A) (1) "Adverse underwriting decision" means any of the 1506  
following actions with respect to insurance transactions 1507  
involving life, health, or disability insurance coverage that is 1508  
individually underwritten: 1509

(a) A declination of insurance coverage; 1510

(b) A termination of insurance coverage; 1511

(c) Failure of an agent to apply for insurance coverage 1512  
with a specific insurance institution that the agent represents 1513  
and that is requested by an applicant; 1514

(d) An offer to insure at higher than standard rates. 1515

(2) Notwithstanding division (A) (1) of this section, none 1516  
of the following actions is an adverse underwriting decision, 1517  
but the insurance institution or agent responsible for their 1518  
occurrence shall nevertheless provide the applicant or 1519  
policyholder with the specific reason or reasons for their 1520  
occurrence: 1521

(a) The termination of an individual policy form on a 1522  
class or statewide basis; 1523

(b) A declination of insurance coverage solely because the 1524  
coverage is not available on a class or statewide basis; 1525

(c) The rescission of a policy. 1526

(B) "Affiliate" or "affiliated" means a person that 1527

directly, or indirectly through one or more intermediaries, 1528  
controls, is controlled by, or is under common control with 1529  
another person. 1530

(C) "Agent" means a person licensed under Chapter 3905. of 1531  
the Revised Code to negotiate or solicit applications for a 1532  
policy or contract of life, health, or disability insurance. 1533

(D) "Applicant" means any person that seeks to contract 1534  
for life, health, or disability insurance coverage other than a 1535  
person seeking group insurance that is not individually 1536  
underwritten. 1537

(E) "Consumer report" means any written, oral, or other 1538  
communication of information bearing on a natural person's 1539  
credit worthiness, credit standing, credit capacity, character, 1540  
general reputation, personal characteristics, or mode of living 1541  
that is used or expected to be used in connection with a life, 1542  
health, or disability insurance transaction. 1543

(F) "Consumer reporting agency" means any person that does 1544  
all of the following: 1545

(1) Regularly engages, in whole or in part, in the 1546  
practice of assembling or preparing consumer reports for a 1547  
monetary fee; 1548

(2) Obtains information primarily from sources other than 1549  
insurance institutions; 1550

(3) Furnishes consumer reports to other persons. 1551

(G) "Control," including the terms "controlled by" or 1552  
"under common control with," means the possession, direct or 1553  
indirect, of the power to direct or cause the direction of the 1554  
management and policies of a person, whether through the 1555

ownership of voting securities, by contract other than a 1556  
commercial contract for goods or nonmanagement services, or 1557  
otherwise, unless the power is the result of an official 1558  
position with or corporate office held by the person. 1559

(H) "Declination of insurance coverage" means a denial, in 1560  
whole or in part, by an insurance institution or agent of 1561  
requested insurance coverage. 1562

(I) "Individual" means any natural person who in 1563  
connection with life, health, or disability insurance: 1564

(1) Is a past, present, or proposed principal insured or 1565  
certificate holder; 1566

(2) Is a past, present, or proposed policy owner; 1567

(3) Is a past or present applicant; 1568

(4) Is a past or present claimant; 1569

(5) Derived, derives, or is proposed to derive insurance 1570  
coverage under an insurance policy or certificate subject to 1571  
sections 3904.01 to 3904.22 of the Revised Code. 1572

(J) "Institutional source" means any person or 1573  
governmental entity that provides information about an 1574  
individual to an agent, insurance institution, or insurance 1575  
support organization, other than any of the following: 1576

(1) An agent; 1577

(2) The individual who is the subject of the information; 1578

(3) A natural person acting in a personal capacity rather 1579  
than in a business or professional capacity. 1580

(K) "Insurance institution" means any corporation, 1581  
association, partnership, fraternal benefit society, or other 1582

person engaged in the business of life, health, or disability insurance, including health insuring corporations. "Insurance institution" does not include agents or insurance support organizations.

(L) (1) "Insurance support organization" means any person that regularly engages, in whole or in part, in the practice of assembling or collecting information about natural persons for the primary purpose of providing the information to an insurance institution or agent for insurance transactions, including both of the following:

(a) The furnishing of consumer reports or investigative consumer reports to an insurance institution or agent for use in connection with an insurance transaction;

(b) The collection of personal information from insurance institutions, agents, or other insurance support organizations for the purpose of detecting or preventing fraud, material misrepresentation, or material nondisclosure in connection with insurance underwriting or insurance claim activity.

(2) Notwithstanding division (L) (1) of this section, agents, government institutions, insurance institutions, medical care institutions, and medical professionals are not "insurance support organizations" for purposes of sections 3904.01 to 3904.22 of the Revised Code.

(M) "Insurance transaction" means any transaction involving life, health, or disability insurance primarily for personal, family, or household needs rather than business or professional needs and entailing either the determination of an individual's eligibility for a life, health, or disability insurance coverage, benefit, or payment, or the servicing of a

life, health, or disability insurance application, policy, 1612  
contract, or certificate. 1613

(N) "Investigative consumer report" means a consumer 1614  
report or portion thereof in which information about a natural 1615  
person's character, general reputation, personal 1616  
characteristics, or mode of living is obtained through personal 1617  
interviews with the person's neighbors, friends, associates, 1618  
acquaintances, or others who may have knowledge concerning such 1619  
items of information. 1620

(O) "Medical care institution" means any facility or 1621  
institution that is licensed to provide health care services to 1622  
natural persons, including home-health agencies, hospitals, 1623  
medical clinics, public health agencies, rehabilitation 1624  
agencies, and skilled nursing facilities. 1625

(P) "Medical professional" means any person licensed or 1626  
certified to provide health care services to natural persons, 1627  
including a chiropractor, clinical-dietician dietitian, clinical 1628  
psychologist, dentist, nurse, occupational therapist, 1629  
optometrist, pharmacist, physical therapist, physician, 1630  
podiatrist, psychiatric social worker, and speech therapist. 1631

(Q) "Medical record information" means personal 1632  
information that relates to an individual's physical or mental 1633  
condition, medical history, or medical treatment and that is 1634  
obtained from a medical professional or medical care 1635  
institution, from the individual, or from the individual's 1636  
spouse, parent, or legal guardian. 1637

(R) "Personal information" means any individually 1638  
identifiable information gathered in connection with an 1639  
insurance transaction from which judgments can be made about an 1640

individual's character, habits, avocations, finances, 1641  
occupation, general reputation, credit, health, or any other 1642  
personal characteristics. "Personal information" includes an 1643  
individual's name and address and medical record information but 1644  
does not include privileged information. 1645

(S) "Policyholder" means any person that is a present 1646  
owner of individual life, health, or disability insurance, or a 1647  
present certificate holder under group life, health, or 1648  
disability insurance that is individually underwritten. 1649

(T) "Pretext interview" means an interview whereby a 1650  
person, in an attempt to obtain information about a natural 1651  
person, performs one or more of the following acts: 1652

(1) Pretends to be someone the interviewer is not; 1653

(2) Pretends to represent a person the interviewer is not 1654  
in fact representing; 1655

(3) Misrepresents the true purpose of the interview; 1656

(4) Refuses to identify self upon request. 1657

(U) "Privileged information" means any individually 1658  
identifiable information that relates to a claim for life, 1659  
health, or disability insurance benefits or a civil or criminal 1660  
proceeding involving an individual, and that is collected in 1661  
connection with, or in reasonable anticipation of, a claim for 1662  
life, health, or disability insurance benefits or civil or 1663  
criminal proceeding involving an individual. However, 1664  
information otherwise meeting the requirements of this division 1665  
shall nevertheless be considered personal information if it is 1666  
disclosed in violation of section 3904.13 of the Revised Code. 1667

(V) "Termination of insurance coverage" or "termination of 1668

an insurance policy" means either a cancellation or nonrenewal 1669  
of a life, health, or disability insurance policy, in whole or 1670  
in part, for any reason other than the failure to pay a premium 1671  
as required by the policy. 1672

(W) "Unauthorized insurer" means an insurance institution 1673  
that has not been granted a certificate of authority by the 1674  
superintendent of insurance to transact the business of life, 1675  
health, or disability insurance in this state. 1676

**Sec. 3904.16.** (A) Whenever the superintendent of insurance 1677  
has reason to believe that an insurance institution, agent, or 1678  
insurance support organization has been or is engaged in conduct 1679  
in this state that violates sections 3904.01 to 3904.22 of the 1680  
Revised Code, or if the superintendent believes that an 1681  
insurance support organization has been or is engaged in conduct 1682  
outside this state that has an effect on a person residing in 1683  
this state and that violates these sections, the superintendent 1684  
shall issue and serve upon such insurance institution, agent, or 1685  
insurance support organization a statement of charges and notice 1686  
of hearing to be held at a time and place fixed in the notice. 1687  
The date for such hearing shall be not less than thirty days 1688  
after the date of service. 1689

(B) At the time and place fixed for such hearing, the 1690  
insurance institution, agent, or insurance support organization 1691  
charged shall have an opportunity to answer the charges against 1692  
it and present evidence on its ~~behalf~~ behalf. Upon good cause 1693  
shown, the superintendent shall permit any adversely affected 1694  
person to intervene, appear, and be heard at such hearing by 1695  
counsel or in person. 1696

(C) At any hearing conducted pursuant to this section, the 1697  
superintendent may administer oaths, examine, and cross-examine 1698

witnesses and receive oral and documentary evidence. The 1699  
superintendent may subpoena witnesses, compel their attendance, 1700  
and require the production of books, papers, records, 1701  
correspondence and other documents that are relevant to the 1702  
hearing. A stenographic record of the hearing shall be made upon 1703  
the request of any party or at the discretion of the 1704  
superintendent. If no stenographic record is made and if 1705  
judicial review is sought, the superintendent shall prepare a 1706  
statement of the evidence for use on the review. Hearings 1707  
conducted under this section are governed by the same rules of 1708  
evidence and procedure applicable to administrative proceedings 1709  
conducted under Chapter 119. of the Revised Code. 1710

(D) Statements of charges, notices, orders, and other 1711  
processes of the superintendent under sections 3904.01 to 1712  
3904.22 of the Revised Code may be served by anyone authorized 1713  
to act on behalf of the superintendent. Service of process may 1714  
be completed in the manner provided by law for service of 1715  
process in civil actions or by registered mail. A copy of the 1716  
statement of charges, notice, order or other process shall be 1717  
provided to the person or persons whose rights under these 1718  
sections have been allegedly violated. A verified return setting 1719  
forth the manner of service, or return postcard receipt in the 1720  
case of registered mail, is sufficient proof of service. 1721

**Sec. 3905.051. (A)** As used in this section: 1722

~~(A)~~ (1) "Applicant" means a natural person applying for 1723  
either of the following: 1724

~~(1)~~ (a) A resident license as an insurance agent or surety 1725  
bail bond agent; 1726

~~(2)~~ (b) An additional line of authority under an existing 1727

resident insurance agent license if a criminal ~~record~~ records 1728  
check has not been obtained within the last twelve months for 1729  
insurance license purposes. 1730

~~(B)~~ (2) "Fingerprint" means an impression of the lines on 1731  
the finger taken for the purpose of identification. The 1732  
impression may be electronic or converted to an electronic 1733  
format. 1734

~~(C)~~ (B) Each applicant shall consent to a criminal record 1735  
check in accordance with this section and shall submit a full 1736  
set of fingerprints to the superintendent of insurance for that 1737  
purpose. 1738

~~(D)~~ (C) The superintendent of insurance shall request the 1739  
superintendent of the bureau of criminal identification and 1740  
investigation to conduct a criminal records check based on the 1741  
applicant's fingerprints. The superintendent of insurance shall 1742  
request that criminal record information from the federal bureau 1743  
of investigation be obtained as part of the criminal records 1744  
check. 1745

~~(E)~~ (D) The superintendent of insurance may contract for 1746  
the collection and transmission of fingerprints authorized under 1747  
this section. The superintendent may order the fee for 1748  
collecting and transmitting fingerprints to be payable directly 1749  
to the contractor by the applicant. The superintendent may agree 1750  
to a reasonable fingerprinting fee to be charged by the 1751  
contractor. Any fee required under this section shall be paid by 1752  
the applicant. 1753

~~(F)~~ (E) The superintendent may receive criminal record 1754  
information directly in lieu of the bureau of criminal 1755  
identification and investigation that submitted the fingerprints 1756

to the federal bureau of investigation. 1757

~~(G)~~ (F) The superintendent shall treat and maintain an 1758  
applicant's fingerprints and any criminal record information 1759  
obtained under this section as confidential and shall apply 1760  
security measures consistent with the criminal justice 1761  
information services division of the federal bureau of 1762  
investigation standards for the electronic storage of 1763  
fingerprints and necessary identifying information and limit the 1764  
use of records solely to the purposes authorized by this 1765  
section. The fingerprints and any criminal record information 1766  
are not subject to subpoena other than one issued pursuant to a 1767  
criminal investigation, are confidential by law and privileged, 1768  
are not subject to discovery, and are not admissible in any 1769  
private civil action. 1770

~~(H)~~ (G) This section does not apply to an agent applying 1771  
for renewal of an existing resident or nonresident license in 1772  
this state. 1773

**Sec. 3905.14.** (A) As used in sections 3905.14 to 3905.16 1774  
of the Revised Code: 1775

(1) "Insurance agent" includes a limited lines insurance 1776  
agent, surety bail bond agent, and surplus line broker. 1777

(2) "Refusal to issue or renew" means the decision of the 1778  
superintendent of insurance not to process either the initial 1779  
application for a license as an agent or the renewal of such a 1780  
license. 1781

(3) "Revocation" means the permanent termination of all 1782  
authority to hold any license as an agent in this state. 1783

(4) "Surrender for cause" means the voluntary termination 1784  
of all authority to hold any license as an agent in this state, 1785

in lieu of a revocation or suspension order. 1786

(5) "Suspension" means the termination of all authority to 1787  
hold any license as an agent in this state, for either a 1788  
specified period of time or an indefinite period of time and 1789  
under any terms or conditions determined by the superintendent. 1790

(B) The superintendent may suspend, revoke, or refuse to 1791  
issue or renew any license of an insurance agent, assess a civil 1792  
penalty, or impose any other sanction or sanctions authorized 1793  
under this chapter, for one or more of the following reasons: 1794

(1) Providing incorrect, misleading, incomplete, or 1795  
materially untrue information in a license or appointment 1796  
application; 1797

(2) Violating or failing to comply with any insurance law, 1798  
rule, subpoena, consent agreement, or order of the 1799  
superintendent or of the insurance authority of another state; 1800

(3) Obtaining, maintaining, or attempting to obtain or 1801  
maintain a license through misrepresentation or fraud; 1802

(4) Improperly withholding, misappropriating, or 1803  
converting any money or property received in the course of doing 1804  
insurance business; 1805

(5) Intentionally misrepresenting the terms, benefits, 1806  
value, cost, or effective dates of any actual or proposed 1807  
insurance contract or application for insurance; 1808

(6) Having been convicted of or pleaded guilty or no 1809  
contest to a felony regardless of whether a judgment of 1810  
conviction has been entered by the court; 1811

(7) Having been convicted of or pleaded guilty or no 1812  
contest to a misdemeanor that involves the misuse or theft of 1813

money or property belonging to another, fraud, forgery, 1814  
dishonest acts, or breach of a fiduciary duty, that is based on 1815  
any act or omission relating to the business of insurance, 1816  
securities, or financial services, or that involves moral 1817  
turpitude regardless of whether a judgment has been entered by 1818  
the court; 1819

(8) Having admitted to committing, or having been found to 1820  
have committed, any insurance unfair trade act or practice or 1821  
insurance fraud; 1822

(9) Using fraudulent, coercive, or dishonest practices, or 1823  
demonstrating incompetence, untrustworthiness, or financial 1824  
irresponsibility, in the conduct of business in this state or 1825  
elsewhere; 1826

(10) Having an insurance agent license, or its equivalent, 1827  
denied, suspended, or revoked in any other state, province, 1828  
district, or territory; 1829

(11) Forging or causing the forgery of an application for 1830  
insurance or any document related to or used in an insurance 1831  
transaction; 1832

(12) Improperly using notes, any other reference material, 1833  
equipment, or devices of any kind to complete an examination for 1834  
an insurance agent license; 1835

(13) Knowingly accepting insurance business from an 1836  
individual who is not licensed; 1837

(14) Failing to comply with any official invoice, notice, 1838  
assessment, or order directing payment of federal, state, or 1839  
local income tax, state or local sales tax, or workers' 1840  
compensation premiums; 1841

(15) Failing to timely submit an application for 1842  
insurance. For purposes of division (B) (15) of this section, a 1843  
submission is considered timely if it occurs within the time 1844  
period expressly provided for by the insurer, or within seven 1845  
days after the insurance agent accepts a premium or an order to 1846  
bind coverage from a policyholder or applicant for insurance, 1847  
whichever is later. 1848

(16) Failing to disclose to an applicant for insurance or 1849  
policyholder upon accepting a premium or an order to bind 1850  
coverage from the applicant or policyholder, that the person has 1851  
not been appointed by the insurer; 1852

(17) Having any professional license or financial industry 1853  
regulatory authority registration suspended or revoked or having 1854  
been barred from participation in any industry; 1855

(18) Having been subject to a cease and desist order or 1856  
permanent injunction related to mishandling of funds or breach 1857  
of fiduciary responsibilities or for unlicensed or unregistered 1858  
activities; 1859

(19) Causing or permitting a policyholder or applicant for 1860  
insurance to designate the insurance agent or the insurance 1861  
agent's spouse, parent, child, or sibling as the beneficiary of 1862  
a policy or annuity sold by the insurance agent or of a policy 1863  
or annuity for which the agent, at any time, was designated as 1864  
the agent of record, unless the insurance agent or a relative of 1865  
the insurance agent is the insured or applicant; 1866

(20) Causing or permitting a policyholder or applicant for 1867  
insurance to designate the insurance agent or the insurance 1868  
agent's spouse, parent, child, or sibling as the owner or 1869  
beneficiary of a trust funded, in whole or in part, by a policy 1870

or annuity sold by the insurance agent or by a policy or annuity 1871  
for which the agent, at any time, was designated as the agent of 1872  
record, unless the insurance agent or a relative of the 1873  
insurance agent is the insured or applicant; 1874

(21) Failing to provide a written response to the 1875  
department of insurance within twenty-one calendar days after 1876  
receipt of any written inquiry from the department, unless a 1877  
reasonable extension of time has been requested of, and granted 1878  
by, the superintendent or the superintendent's designee; 1879

(22) Failing to appear to answer questions before the 1880  
superintendent after being notified in writing by the 1881  
superintendent of a scheduled interview, unless a reasonable 1882  
extension of time has been requested of, and granted by, the 1883  
superintendent or the superintendent's designee; 1884

(23) Transferring or placing insurance with an insurer 1885  
other than the insurer expressly chosen by the applicant for 1886  
insurance or policyholder without the consent of the applicant 1887  
or policyholder or absent extenuating circumstances; 1888

(24) Failing to inform a policyholder or applicant for 1889  
insurance of the identity of the insurer or insurers, or the 1890  
identity of any other insurance agent or licensee known to be 1891  
involved in procuring, placing, or continuing the insurance for 1892  
the policyholder or applicant, upon the binding of the coverage; 1893

(25) In the case of an agent that is a business entity, 1894  
failing to report an individual licensee's violation to the 1895  
department when the violation was known or should have been 1896  
known by one or more of the partners, officers, managers, or 1897  
members of the business entity; 1898

(26) Submitting or using a document in the conduct of the 1899

business of insurance when the person knew or should have known 1900  
that the document contained a writing that was forged as defined 1901  
in section 2913.01 of the Revised Code; 1902

(27) Misrepresenting the person's qualifications, status 1903  
or relationship to another person, agency, or entity, or using 1904  
in any way a professional designation that has not been 1905  
conferred upon the person by the appropriate accrediting 1906  
organization; 1907

(28) Obtaining a premium loan or policy surrender or 1908  
causing a premium loan or policy surrender to be made to or in 1909  
the name of an insured or policyholder without that person's 1910  
knowledge and written authorization; 1911

(29) Using paper, software, or any other materials of or 1912  
provided by an insurer after the insurer has terminated the 1913  
authority of the licensee, if the use of such materials would 1914  
cause a reasonable person to believe that the licensee was 1915  
acting on behalf of or otherwise representing the insurer; 1916

(30) Soliciting, procuring an application for, or placing, 1917  
either directly or indirectly, any insurance policy when the 1918  
person is not authorized under this chapter to engage in such 1919  
activity; 1920

(31) Soliciting, selling, or negotiating any product or 1921  
service that offers benefits similar to insurance but is not 1922  
regulated by the superintendent, without fully disclosing, 1923  
orally and in writing, to the prospective purchaser that the 1924  
product or service is not insurance and is not regulated by the 1925  
superintendent; 1926

(32) Failing to fulfill a refund obligation to a 1927  
policyholder or applicant in a timely manner. For purposes of 1928

division (B) (32) of this section, a rebuttable presumption 1929  
exists that a refund obligation is not fulfilled in a timely 1930  
manner unless it is fulfilled within one of the following time 1931  
periods: 1932

(a) Thirty days after the date the policyholder, 1933  
applicant, or insurer takes or requests action resulting in a 1934  
refund; 1935

(b) Thirty days after the date of the insurer's refund 1936  
check, if the agent is expected to issue a portion of the total 1937  
refund; 1938

(c) Forty-five days after the date of the agent's 1939  
statement of account on which the refund first appears. 1940

The presumption may be rebutted by proof that the 1941  
policyholder or applicant consented to the delay or agreed to 1942  
permit the agent to apply the refund to amounts due for other 1943  
coverages. 1944

(33) With respect to a surety bail bond agent license, 1945  
rebating or offering to rebate, or unlawfully dividing or 1946  
offering to divide, any commission, premium, or fee; 1947

(34) Using a license for the principal purpose of 1948  
procuring, receiving, or forwarding applications for insurance 1949  
of any kind, other than life, or soliciting, placing, or 1950  
effecting such insurance directly or indirectly upon or in 1951  
connection with the property of the licensee or that of 1952  
relatives, employers, employees, or that for which they or the 1953  
licensee is an agent, custodian, vendor, bailee, trustee, or 1954  
payee; 1955

(35) In the case of an insurance agent that is a business 1956  
entity, using a life license for the principal purpose of 1957

soliciting or placing insurance on the lives of the business 1958  
entity's officers, employees, or shareholders, or on the lives 1959  
of relatives of such officers, employees, or shareholders, or on 1960  
the lives of persons for whom they, their relatives, or the 1961  
business entity is agent, custodian, vendor, bailee, trustee, or 1962  
payee; 1963

(36) Offering, selling, soliciting, or negotiating 1964  
policies, contracts, agreements, or applications for insurance, 1965  
or annuities providing fixed, variable, or fixed and variable 1966  
benefits, or contractual payments, for or on behalf of any 1967  
insurer or multiple employer welfare arrangement not authorized 1968  
to transact business in this state, or for or on behalf of any 1969  
spurious, fictitious, nonexistent, dissolved, inactive, 1970  
liquidated or liquidating, or bankrupt insurer or multiple 1971  
employer welfare arrangement; 1972

(37) In the case of a resident business entity, failing to 1973  
be qualified to do business in this state under Title XVII of 1974  
the Revised Code, failing to be in good standing with the 1975  
secretary of state, or failing to maintain a valid appointment 1976  
of statutory agent with the secretary of state; 1977

(38) In the case of a nonresident agent, failing to 1978  
maintain licensure as an insurance agent in the agent's home 1979  
state for the lines of authority held in this state; 1980

(39) Knowingly aiding and abetting another person or 1981  
entity in the violation of any insurance law of this state or 1982  
the rules adopted under it. 1983

(C) Before denying, revoking, suspending, or refusing to 1984  
issue any license or imposing any penalty under this section, 1985  
the superintendent shall provide the licensee or applicant with 1986

notice and an opportunity for hearing as provided in Chapter 1987  
119. of the Revised Code, except as follows: 1988

(1) (a) Any notice of opportunity for hearing, the hearing 1989  
officer's findings and recommendations, or the superintendent's 1990  
order shall be served by certified mail at the last known 1991  
address of the licensee or applicant. Service shall be evidenced 1992  
by return receipt signed by any person. 1993

For purposes of this section, the "last known address" is 1994  
the residential address of a licensee or applicant, or the 1995  
principal-place-of-business address of a business entity, that 1996  
is contained in the licensing records of the department. 1997

(b) If the certified mail envelope is returned with an 1998  
endorsement showing that service was refused, or that the 1999  
envelope was unclaimed, the notice and all subsequent notices 2000  
required by Chapter 119. of the Revised Code may be served by 2001  
ordinary mail to the last known address of the licensee or 2002  
applicant. The mailing shall be evidenced by a certificate of 2003  
mailing. Service is deemed complete as of the date of such 2004  
certificate provided that the ordinary mail envelope is not 2005  
returned by the postal authorities with an endorsement showing 2006  
failure of delivery. The time period in which to request a 2007  
hearing, as provided in Chapter 119. of the Revised Code, begins 2008  
to run on the date of mailing. 2009

(c) If service by ordinary mail fails, the superintendent 2010  
may cause a summary of the substantive provisions of the notice 2011  
to be published once a week for three consecutive weeks in a 2012  
newspaper of general circulation in the county where the last 2013  
known place of residence or business of the party is located. 2014  
The notice is considered served on the date of the third 2015  
publication. 2016

(d) Any notice required to be served under Chapter 119. of 2017  
the Revised Code shall also be served upon the party's attorney 2018  
by ordinary mail if the attorney has entered an appearance in 2019  
the matter. 2020

(e) The superintendent may, at any time, perfect service 2021  
on a party by personal delivery of the notice by an employee of 2022  
the department. 2023

(f) Notices regarding the scheduling of hearings and all 2024  
other matters not described in division (C)(1)(a) of this 2025  
section shall be sent by ordinary mail to the party and to the 2026  
party's attorney. 2027

(2) Any subpoena for the appearance of a witness or the 2028  
production of documents or other evidence at a hearing, or for 2029  
the purpose of taking testimony for use at a hearing, shall be 2030  
served by certified mail, return receipt requested, by an 2031  
attorney or by an employee of the department designated by the 2032  
superintendent. Such subpoenas shall be enforced in the manner 2033  
provided in section 119.09 of the Revised Code. Nothing in this 2034  
section shall be construed as limiting the superintendent's 2035  
other statutory powers to issue subpoenas. 2036

(D) If the superintendent determines that a violation 2037  
described in this section has occurred, the superintendent may 2038  
take one or more of the following actions: 2039

(1) Assess a civil penalty in an amount not exceeding 2040  
twenty-five thousand dollars per violation; 2041

(2) Assess administrative costs to cover the expenses 2042  
incurred by the department in the administrative action, 2043  
including costs incurred in the investigation and hearing 2044  
processes. Any costs collected shall be paid into the state 2045

treasury to the credit of the department of insurance operating 2046  
fund created in section 3901.021 of the Revised Code. 2047

(3) Suspend all of the person's licenses for all lines of 2048  
insurance for either a specified period of time or an indefinite 2049  
period of time and under such terms and conditions as the 2050  
superintendent may determine; 2051

(4) Permanently revoke all of the person's licenses for 2052  
all lines of insurance; 2053

(5) Refuse to issue a license; 2054

(6) Refuse to renew a license; 2055

(7) Prohibit the person from being employed in any 2056  
capacity in the business of insurance and from having any 2057  
financial interest in any insurance agency, company, surety bail 2058  
bond business, or third-party administrator in this state. The 2059  
superintendent may, in the superintendent's discretion, 2060  
determine the nature, conditions, and duration of such 2061  
restrictions. 2062

(8) Order corrective actions in lieu of or in addition to 2063  
the other penalties listed in division (D) of this section. Such 2064  
an order may provide for the suspension of civil penalties, 2065  
license revocation, license suspension, or refusal to issue or 2066  
renew a license if the licensee complies with the terms and 2067  
conditions of the corrective action order. 2068

(9) Accept a surrender for cause offered by the licensee, 2069  
which shall be for at least five years and shall prohibit the 2070  
licensee from seeking any license authorized under this chapter 2071  
during that time period. A surrender for cause shall be in lieu 2072  
of revocation or suspension and may include a corrective action 2073  
order as provided in division (D) (8) of this section. 2074

(E) The superintendent may consider the following factors	2075
in denying a license, imposing suspensions, revocations, fines,	2076
or other penalties, and issuing orders under this section:	2077
(1) Whether the person acted in good faith;	2078
(2) Whether the person made restitution for any pecuniary	2079
losses suffered by other persons as a result of the person's	2080
actions;	2081
(3) The actual harm or potential for harm to others;	2082
(4) The degree of trust placed in the person by, and the	2083
vulnerability of, persons who were or could have been adversely	2084
affected by the person's actions;	2085
(5) Whether the person was the subject of any previous	2086
administrative actions by the superintendent;	2087
(6) The number of individuals adversely affected by the	2088
person's acts or omissions;	2089
(7) Whether the person voluntarily reported the violation,	2090
and the extent of the person's cooperation and acceptance of	2091
responsibility;	2092
(8) Whether the person obstructed or impeded, or attempted	2093
to obstruct or impede, the superintendent's investigation;	2094
(9) The person's efforts to conceal the misconduct;	2095
(10) Remedial efforts to prevent future violations;	2096
(11) If the person was convicted of a criminal offense,	2097
the nature of the offense, whether the conviction was based on	2098
acts or omissions taken under any professional license, whether	2099
the offense involved the breach of a fiduciary duty, the amount	2100
of time that has passed, and the person's activities subsequent	2101

to the conviction; 2102

(12) Such other factors as the superintendent determines 2103  
to be appropriate under the circumstances. 2104

(F) (1) A violation described in division (B) (1), (2), (3), 2105  
(4), (5), (6), (7), (8), (9), (10), (11), (12), (13), (14), 2106  
(16), (17), (18), (19), (20), (22), (23), (24), (25), (26), 2107  
(27), (28), (29), (30), (31), (32), (33), (34), (35), ~~and or~~ 2108  
(36) of this section is a class A offense for which the 2109  
superintendent may impose any penalty set forth in division (D) 2110  
of this section. 2111

(2) A violation described in division (B) (15) or (21) of 2112  
this section, or a failure to comply with section 3905.061, 2113  
3905.071, or 3905.22 of the Revised Code, is a class B offense 2114  
for which the superintendent may impose any penalty set forth in 2115  
division (D) (1), (2), (8), or (9) of this section. 2116

(3) If the superintendent determines that a violation 2117  
described in division (B) (36) of this section has occurred, the 2118  
superintendent shall impose a minimum of a two-year suspension 2119  
on all of the person's licenses for all lines of insurance. 2120

(G) If a violation described in this section has caused, 2121  
is causing, or is about to cause substantial and material harm, 2122  
the superintendent may issue an order requiring that person to 2123  
cease and desist from engaging in the violation. Notice of the 2124  
order shall be mailed by certified mail, return receipt 2125  
requested, or served in any other manner provided for in this 2126  
section, immediately after its issuance to the person subject to 2127  
the order and to all persons known to be involved in the 2128  
violation. The superintendent may thereafter publicize or 2129  
otherwise make known to all interested parties that the order 2130

has been issued. 2131

The notice shall specify the particular act, omission, 2132  
practice, or transaction that is subject to the cease-and-desist 2133  
order and shall set a date, not more than fifteen days after the 2134  
date of the order, for a hearing on the continuation or 2135  
revocation of the order. The person shall comply with the order 2136  
immediately upon receipt of notice of the order. 2137

The superintendent may, upon the application of a party 2138  
and for good cause shown, continue the hearing. Chapter 119. of 2139  
the Revised Code applies to such hearings to the extent that 2140  
that chapter does not conflict with the procedures set forth in 2141  
this section. The superintendent shall, within fifteen days 2142  
after objections are submitted to the hearing officer's report 2143  
and recommendation, issue a final order either confirming or 2144  
revoking the cease-and-desist order. The final order may be 2145  
appealed as provided under section 119.12 of the Revised Code. 2146

The remedy under this division is cumulative and 2147  
concurrent with the other remedies available under this section. 2148

(H) If the superintendent has reasonable cause to believe 2149  
that an order issued under this section has been violated in 2150  
whole or in part, the superintendent may request the attorney 2151  
general to commence and prosecute any appropriate action or 2152  
proceeding in the name of the state against such person. 2153

The court may, in an action brought pursuant to this 2154  
division, impose any of the following: 2155

(1) For each violation, a civil penalty of not more than 2156  
twenty-five thousand dollars; 2157

(2) Injunctive relief; 2158

(3) Restitution;	2159
(4) Any other appropriate relief.	2160
(I) With respect to a surety bail bond agent license:	2161
(1) Upon the suspension or revocation of a license, or the eligibility of a surety bail bond agent to hold a license, the superintendent likewise may suspend or revoke the license or eligibility of any surety bail bond agent who is employed by or associated with that agent and who knowingly was a party to the act that resulted in the suspension or revocation.	2162 2163 2164 2165 2166 2167
(2) The superintendent may revoke a license as a surety bail bond agent if the licensee is adjudged bankrupt.	2168 2169
(J) Nothing in this section shall be construed to create or imply a private cause of action against an agent or insurer.	2170 2171
<b>Sec. 3905.84.</b> No person shall act in the capacity of a surety bail bond agent, or perform any of the functions, duties, or powers prescribed for surety bail bond agents under sections 3905.83 to 3905.95 of the Revised Code, unless that person <del>is</del> <u>is</u> qualified, licensed, and appointed as provided in those sections.	2172 2173 2174 2175 2176 2177
<b>Sec. 3905.85.</b> (A) (1) An individual who applies for a license as a surety bail bond agent shall submit an application for the license in a manner prescribed by the superintendent of insurance. The application shall be accompanied by a one_ <u>  </u> hundred_ <u>  </u> fifty_ <u>  </u> dollar fee and a statement that gives the applicant's name, age, residence, present occupation, occupation for the five years next preceding the date of the application, and such other information as the superintendent may require.	2178 2179 2180 2181 2182 2183 2184 2185
(2) An applicant for an individual resident license shall	2186

also submit to a criminal records check pursuant to section	2187
3905.051 of the Revised Code.	2188
(B) (1) The superintendent shall issue to an applicant an	2189
individual resident license that states in substance that the	2190
person is authorized to do the business of a surety bail bond	2191
agent, if the superintendent is satisfied that all of the	2192
following apply:	2193
(a) The applicant is eighteen years of age or older.	2194
(b) The applicant's home state is Ohio.	2195
(c) The applicant is a person of high character and	2196
integrity.	2197
(d) The applicant has not committed any act that is	2198
grounds for the refusal to issue, suspension of, or revocation	2199
of a license under section 3905.14 of the Revised Code.	2200
(e) The applicant is a United States citizen or has	2201
provided proof of having legal authorization to work in the	2202
United States.	2203
(f) The applicant has successfully completed the	2204
educational requirements set forth in section 3905.04 of the	2205
Revised Code and passed the examination required by that	2206
section.	2207
(2) The superintendent shall issue to an applicant an	2208
individual nonresident license that states in substance that the	2209
person is authorized to do the business of a surety bail bond	2210
agent, if the superintendent is satisfied that all of the	2211
following apply:	2212
(a) The applicant is eighteen years of age or older.	2213

(b) The applicant is currently licensed as a resident in 2214  
another state and is in good standing in the applicant's home 2215  
state for surety bail bond or is qualified for the same 2216  
authority. 2217

(c) The applicant is a person of high character and 2218  
integrity. 2219

(d) The applicant has not committed any act that is 2220  
grounds for the refusal to issue, suspension of, or revocation 2221  
of a license under section 3905.14 of the Revised Code. 2222

(3) The superintendent shall issue an applicant a resident 2223  
business entity license that states in substance that the person 2224  
is authorized to do the business of a surety bail bond agent if 2225  
the superintendent is satisfied that all of the following apply: 2226

(a) The applicant has submitted an application for the 2227  
license in a manner prescribed by the superintendent and the 2228  
one-hundred-fifty-dollar application fee. 2229

(b) The applicant either is domiciled in this state or 2230  
maintains its principal place of business in this state. 2231

(c) The applicant has designated an individual licensed 2232  
surety bail bond agent who will be responsible for the 2233  
applicant's compliance with the insurance laws of this state. 2234

(d) The applicant has not committed any act that is 2235  
grounds for the refusal to issue, suspension of, or revocation 2236  
of a license under section 3905.14 of the Revised Code. 2237

(e) The applicant is authorized to do business in this 2238  
state by the secretary of state if so required under the 2239  
applicable provisions of Title XVII of the Revised Code. 2240

(f) The applicant has submitted any other documents 2241

requested by the superintendent. 2242

(4) The superintendent shall issue an applicant a 2243  
nonresident business entity license that states in substance 2244  
that the person is authorized to do the business of a surety 2245  
bail bond agent if the superintendent is satisfied that all of 2246  
the following apply: 2247

(a) The applicant has submitted an application for the 2248  
license in a manner prescribed by the superintendent and the 2249  
one-hundred-fifty-dollar application fee. 2250

(b) The applicant is currently licensed and is in good 2251  
standing in the applicant's home state with surety bail bond 2252  
authority. 2253

(c) The applicant has designated an individual licensed 2254  
surety bail bond agent who will be responsible for the 2255  
applicant's compliance with the insurance laws of this state. 2256

(d) The applicant has not committed any act that is 2257  
grounds for the refusal to issue, suspension of, or revocation 2258  
of a license under section 3905.14 of the Revised Code. 2259

(e) The applicant has submitted any other documents 2260  
requested by the superintendent. 2261

(C) A resident and nonresident surety bail bond agent 2262  
license issued pursuant to this section authorizes the holder, 2263  
when appointed by an insurer, to execute or countersign bail 2264  
bonds in connection with judicial proceedings and to receive 2265  
money or other things of value for those services. However, the 2266  
holder shall not execute or deliver a bond during the first one 2267  
hundred eighty days after the license is initially issued. This 2268  
restriction does not apply with respect to license renewals or 2269  
any license issued under divisions (B) (3) and (4) of this 2270

section. 2271

(D) The superintendent may refuse to renew a surety bail 2272  
bond agent's license as provided in division (B) of section 2273  
3905.88 of the Revised Code, and may suspend, revoke, or refuse 2274  
to issue or renew such a license as provided in section 3905.14 2275  
of the Revised Code. 2276

If the superintendent refuses to issue such a license 2277  
based in whole or in part upon the written response to a 2278  
criminal records check completed pursuant to division (A) of 2279  
this section, the superintendent shall send a copy of the 2280  
response that was transmitted to the superintendent to the 2281  
applicant at the applicant's home address upon the applicant's 2282  
submission of a written request to the superintendent. 2283

(E) Any person licensed as a surety bail bond agent may 2284  
surrender the person's license in accordance with section 2285  
3905.16 of the Revised Code. 2286

(F) (1) A person seeking to renew a surety bail bond agent 2287  
license shall apply annually for a renewal of the license on or 2288  
before the ~~last-first~~ day of ~~February~~April. Applications shall 2289  
be submitted to the superintendent on forms prescribed by the 2290  
superintendent. Each application shall be accompanied by a one- 2291  
hundred-fifty-dollar renewal fee. 2292

(2) To be eligible for renewal, an individual applicant 2293  
shall complete the continuing education requirements pursuant to 2294  
section 3905.88 of the Revised Code prior to the renewal date. 2295

(3) If an applicant submits a completed renewal 2296  
application, qualifies for renewal pursuant to divisions (F) (1) 2297  
and (2) of this section, and has not committed any act that is a 2298  
ground for the refusal to issue, suspension of, or revocation of 2299

a license under section 3905.14 or sections 3905.83 to 3905.99 2300  
of the Revised Code, the superintendent shall renew the 2301  
applicant's surety bail bond insurance agent license. 2302

(4) If an individual or business entity does not apply for 2303  
the renewal of the individual or business entity's license on or 2304  
before the license renewal date specified in division (F)(1) of 2305  
this section, the individual or business entity may submit a 2306  
late renewal application along with all applicable fees required 2307  
under this chapter prior to the ~~last~~first day of ~~March~~May 2308  
following the renewal date. The superintendent shall renew the 2309  
license of an applicant that submits a late renewal application 2310  
if the applicant satisfies all of the following conditions: 2311

(a) The applicant submits a completed renewal application. 2312

(b) The applicant pays the one-hundred-fifty-dollar 2313  
renewal fee. 2314

(c) The applicant pays the late renewal fee established by 2315  
the superintendent. 2316

(d) The applicant provides proof of compliance with the 2317  
continuing education requirements pursuant to section 3905.88 of 2318  
the Revised Code. 2319

(e) The applicant has not committed any act that is 2320  
grounds for the refusal to issue, suspension of, or revocation 2321  
of a license under section 3905.14 or sections 3905.83 to 2322  
3905.99 of the Revised Code. 2323

(5) A license issued under this section that is not 2324  
renewed on or before its late renewal date specified in division 2325  
(F)(4) of this section is automatically suspended for nonrenewal 2326  
effective the ~~first~~second day of ~~April~~May. 2327

(6) If a license is suspended for nonrenewal pursuant to 2328  
division (F)(5) of this section, the individual or business 2329  
entity is eligible to apply for reinstatement of the license 2330  
within the twelve-month period following the date by which the 2331  
license should have been renewed by complying with the 2332  
reinstatement procedure established by the superintendent and 2333  
paying all applicable fees required under this chapter. 2334

(7) A license that is suspended for nonrenewal that is not 2335  
reinstated pursuant to division (F)(6) of this section 2336  
automatically is canceled unless the superintendent is 2337  
investigating any allegations of wrongdoing by the agent or has 2338  
initiated proceedings under Chapter 119. of the Revised Code. In 2339  
that case, the license automatically is canceled after the 2340  
completion of the investigation or proceedings unless the 2341  
superintendent revokes the license. 2342

(G) The superintendent may prescribe the forms to be used 2343  
as evidence of the issuance of a license under this section. The 2344  
superintendent shall require each licensee to acquire, from a 2345  
source designated by the superintendent, a wallet identification 2346  
card that includes the licensee's photograph and any other 2347  
information required by the superintendent. The licensee shall 2348  
keep the wallet identification card on the licensee's person 2349  
while engaging in the bail bond business. 2350

(H)(1) The superintendent of insurance shall not issue or 2351  
renew the license of a business entity organized under the laws 2352  
of this or any other state unless the business entity is 2353  
qualified to do business in this state under the applicable 2354  
provisions of Title XVII of the Revised Code. 2355

(2) The failure of a business entity to be in good 2356  
standing with the secretary of state or to maintain a valid 2357

appointment of statutory agent is grounds for suspending, 2358  
revoking, or refusing to renew its license. 2359

(3) By applying for a surety bail bond agent license under 2360  
this section, an individual or business entity consents to the 2361  
jurisdiction of the courts of this state. 2362

(I) A surety bail bond agent licensed pursuant to this 2363  
section is an officer of the court. 2364

(J) Any fee collected under this section shall be paid 2365  
into the state treasury to the credit of the department of 2366  
insurance operating fund created by section 3901.021 of the 2367  
Revised Code. 2368

**Sec. 3905.87.** (A) A surety bail bond agent shall not file 2369  
a bond in any court of this state unless the agent is licensed 2370  
and appointed under sections 3905.83 to 3905.95 of the Revised 2371  
Code and has registered with the clerk of that court pursuant to 2372  
division (B) of this section, if registration is required by the 2373  
court. 2374

(B) To register with a court, a surety bail bond agent 2375  
shall file, with the clerk of the court, a copy of the agent's 2376  
surety bail bond license, a copy of the agent's driver's license 2377  
or state identification card, and a certified copy of the surety 2378  
bail bond agent's appointment by power of attorney from each 2379  
insurer that the surety bail bond agent represents. An agent 2380  
shall renew the agent's registration biennially by the first day 2381  
of ~~August~~ April of each odd-numbered year. 2382

(C) The clerk of the court shall make available a list of 2383  
court-registered surety bail bond agents to the appropriate 2384  
holding facility, jail, correction facility, or other similar 2385  
entity within the court's jurisdiction annually not later than 2386

the first day of ~~September~~May. If an agent registers with a 2387  
court after the last day of ~~August~~April, the court shall add 2388  
that agent to the list and make the updated list available to 2389  
the appropriate holding facility, jail, correction facility, or 2390  
other similar entity within the court's jurisdiction within 2391  
twenty-four hours of the court's approval of that registration. 2392

**Sec. 3907.15.** (A) A domestic life insurance company may, 2393  
subject to section 3911.011 of the Revised Code, issue policies, 2394  
annuities, or other contracts, whether on an individual or group 2395  
basis, providing benefits or other contractual payments payable 2396  
in fixed or variable dollar amounts, or both, and allocate to 2397  
one or more separate accounts any amounts which are to be 2398  
applied to provide such benefits and contractual payments. The 2399  
income, if any, and any gains or losses, realized or unrealized, 2400  
on each separate account shall be credited to or charged against 2401  
the amounts allocated to the separate account without regard to 2402  
other income, gains, or losses of the company. The amounts 2403  
allocated to the separate accounts and the accumulations thereon 2404  
remain the property of the company, but that portion of the 2405  
assets of the separate accounts equal to the reserves and other 2406  
contractual liabilities under all policies, annuities, and other 2407  
contracts identified with the separate accounts shall not be 2408  
chargeable with liabilities arising out of any other business of 2409  
the company. The company shall not be, or hold itself out to be, 2410  
a trustee in respect of such amounts. 2411

(B) (1) Not more than ten per cent of the amounts allocated 2412  
to any separate account and the accumulations thereon shall be 2413  
invested in the stocks, notes, debentures, bonds, or other 2414  
securities of any one corporation or issuer and not more than 2415  
ten per cent of the issued and outstanding voting securities of 2416  
any one corporation or issuer may be acquired by all separate 2417

accounts. The superintendent of insurance may waive this 2418  
limitation if, in the opinion of the superintendent, the waiver 2419  
will not render the operation of the separate account hazardous 2420  
to the public or policyholders in this state; 2421

(2) Division (B)(1) of this section does not apply to any 2422  
of the following: 2423

(a) Securities of investment companies registered under 2424  
the "Investment Company Act of 1940," 54 Stat. 789, 15 U.S.C.A. 2425  
80a-1, as amended; 2426

(b) Annuities or funding agreements issued by a life 2427  
insurance company authorized to do business in this state from 2428  
its general account; 2429

(c) The transfer of any investment or other asset in any 2430  
separate account to any other account or to the general assets 2431  
of the company or any investment among the general assets of the 2432  
company transferred to any separate account; 2433

(d) Securities issued or guaranteed as to principal or 2434  
interest by the United States. 2435

(C) No security of any corporation which is a subsidiary 2436  
of, or which is affiliated through stock ownership with, such 2437  
insurance company shall be allocated to any separate account. No 2438  
investment or other asset in any separate account shall be 2439  
transferred to any other account or to the general assets of the 2440  
company and no investment among the general assets of the 2441  
company shall be transferred to any separate account unless such 2442  
transfer is made solely: 2443

(1) To establish a separate account or support the 2444  
guarantees of the policies, annuities, or other contracts 2445  
identified with such account; 2446

(2) To withdraw amounts previously allocated to any separate account which are no longer needed to support the guarantees of the policies, annuities, or other contracts identified therewith; and such transfer is of cash or securities having a readily determinable market value or unless such transfer is approved by the superintendent. If a company withdraws all or part of its participation in a separate account, it shall be entitled to receive its proportionate share of the value of the assets of the separate account at the time of withdrawal.

(D) The assets of a separate account shall be valued at their market value on the date of valuation, or if there is no readily available market, then in accordance with the terms of the contracts or the rules or other written agreement applicable to such separate account.

(E) Notwithstanding division (D) of this section, assets supporting fund accumulation contracts, which do not participate in the underlying portfolio experience, with a fixed interest rate guarantee, purchased under a retirement plan or plan of deferred compensation, established or maintained by an employer, may be recorded as if the assets were held in the general account.

(F) The amounts allocated to any separate account under this section and the accumulations thereon may be invested and reinvested by the company without regard to the requirements and limitations of section 3907.14 of the Revised Code.

~~(F)~~ (G) The assets of a separate account shall not be taken into account in applying the investment requirements and limitations of section 3907.14 of the Revised Code to other investments of the company.

~~(G)~~ (H) Any such domestic life insurance company may do 2477  
all things necessary under any state or federal law in order 2478  
that such policies, annuities, or other contracts may be 2479  
lawfully offered for sale and sold, including, but not limited 2480  
to, the granting of voting rights to such policyholders, 2481  
annuitants, and other contract holders with respect to the 2482  
management of such separate accounts and investment of the 2483  
assets thereof and the establishment of committees, boards, or 2484  
other similar designated bodies with respect to such separate 2485  
accounts as may be required by such laws, notwithstanding 2486  
Chapter 3907. or section 3913.06 of the Revised Code, or the 2487  
articles of incorporation, charter, bylaws, or code of 2488  
regulations of such company. 2489

**Sec. 3909.04.** Every life insurance company organized by 2490  
act of congress or under the laws of another state of the United 2491  
States shall file with the superintendent of insurance a 2492  
certified copy of its charter, or deed of settlement, together 2493  
with a statement, under the oath of the president, vice- 2494  
president, or other chief officer or manager, and the secretary 2495  
of the company, stating the name of the company, the place where 2496  
it is located, and the amount of its capital, with a detailed 2497  
statement of all the facts required in the annual statement of 2498  
companies organized under sections ~~3907.1~~ 3907.01 to 3907.21, ~~—~~ 2499  
~~inclusive,~~ of the Revised Code, except as to the statement 2500  
required by division (N) of section 3907.19 of the Revised Code, 2501  
which statement shall be filed by such company only when 2502  
required by the superintendent for purposes of actual valuation, 2503  
as provided by the insurance laws of this state. The statement 2504  
also shall include a copy of its last annual report, if any was 2505  
made. 2506

**Sec. 3911.24.** Upon the conviction of any person, firm, 2507

association, or life insurance company for violating section 2508  
3911.23 of the Revised Code, the superintendent of insurance 2509  
shall revoke the license of such person, firm, association, or 2510  
life insurance company for not less than one year. 2511

The superintendent, when ~~he~~ the superintendent has good 2512  
reason to believe that any company or association writing life 2513  
insurance in this state, on any plan, is knowingly permitting 2514  
any of its agents or representatives to violate section 3911.23 2515  
of the Revised Code, shall give such company or association 2516  
notice of a hearing in accordance with ~~sections 119.01 to~~ 2517  
~~119.13, inclusive,~~ Chapter 119. of the Revised Code, upon the 2518  
charge of knowingly permitting said section to be violated, and, 2519  
if ~~he~~ the superintendent finds said company or association 2520  
guilty of the offense, ~~he~~ the superintendent shall revoke its 2521  
license. 2522

**Sec. 3913.11.** (A) A domestic mutual life insurance company 2523  
may become a stock life insurance company, pursuant to sections 2524  
3913.11 to 3913.13 of the Revised Code, provided that the 2525  
company have unassigned surplus at least equal to the capital 2526  
and surplus required under section 3907.05 of the Revised Code 2527  
for a life insurance company to commence business in this state, 2528  
that such conversion will benefit the company, that adequate 2529  
provision for protection of the policyholders' interests is 2530  
made, and that such conversion is not inequitable, unreasonable, 2531  
or contrary to law. "Policyholder", as used in sections 3913.11 2532  
to 3913.13 of the Revised Code, means a policyholder as defined 2533  
in section 3913.10 of the Revised Code and the qualifications 2534  
for voting shall be as provided in that section. 2535

(B) The board of directors of a mutual life insurance 2536  
company desiring to become a stock life insurance company shall, 2537

by a majority vote, adopt a resolution stating the reason it 2538  
believes such conversion would be of benefit to the company and 2539  
its policyholders, and setting forth a plan of conversion and 2540  
explanation thereof, a schedule of the steps to be followed in 2541  
effecting the conversion, and a statement of the organization of 2542  
the new company and its capitalization, including the number of 2543  
shares of capital stock and the price per share for which the 2544  
stock is to be issued. Five certified copies of such resolution 2545  
shall be filed with the superintendent of insurance, together 2546  
with the following: 2547

(1) A copy of the charter or articles of incorporation of 2548  
the company, together with the proposed articles of 2549  
incorporation of the new company; 2550

(2) Complete annual financial statements of the company 2551  
for the five accounting periods immediately preceding the date 2552  
of the resolution, based on generally recognized insurance 2553  
accounting principles; 2554

(3) A draft of the prospectus to be sent to the 2555  
policyholders, which shall contain a full disclosure of the 2556  
details of the proposed conversion; 2557

(4) Such other and further statements, affidavits, books, 2558  
records, papers, information, and data, as the superintendent 2559  
may require. 2560

(C) Within thirty days of the filing of the resolution and 2561  
supporting documents and information required by division (B) of 2562  
this section, the superintendent shall review them, and if it 2563  
appears on their face that such conversion meets the 2564  
requirements contained in division (A) of this section, ~~he the~~ 2565  
superintendent shall order an examination of the company. If ~~he~~ 2566

the superintendent finds that such conversion does not meet the 2567  
requirements contained in division (A), ~~he~~ the superintendent 2568  
shall issue a written order prohibiting the conversion, stating 2569  
in detail the reasons therefor. The company may, within thirty 2570  
days after issuance of such order of prohibition, submit 2571  
modifications to the proposed conversion, and ~~if the~~ 2572  
~~superintendent finds~~ after finding that the conversion as so 2573  
modified meets the requirements contained in division (A) ~~he~~ the 2574  
superintendent shall rescind ~~his~~ the prior order and order an 2575  
examination of the company. The examination conducted pursuant 2576  
to this section shall be such as is necessary to verify that 2577  
such conversion will meet the requirements contained in division 2578  
(A). The expenses of such examination shall be paid by the 2579  
company. 2580

(D) Upon completion of the examination, the superintendent 2581  
shall appoint an appraisal committee, consisting of a fellow of 2582  
the society of actuaries, an attorney at law, and a person who 2583  
by reason of knowledge and experience is specially qualified in 2584  
the valuation of insurance companies. No member of such 2585  
committee shall have any direct or indirect interest in the 2586  
company's affairs, nor shall any member be an employee of the 2587  
department of insurance. Each such appraiser shall receive 2588  
reasonable compensation for ~~his~~ the appraiser's services, plus 2589  
reasonable expenses, as approved by the superintendent, which 2590  
compensation and expenses shall be paid by the company. The 2591  
appraisal committee shall determine the value of the company as 2592  
of the date of the examination conducted pursuant to this 2593  
section, taking into consideration the admitted and non-admitted 2594  
assets, reserves, and other liabilities, equity in unearned 2595  
premium reserves, the value of the agency plant, the value of 2596  
insurance in force, and any other factor affecting the value of 2597

the company. 2598

The appraisal committee shall confirm or modify the 2599  
determination of the board of directors as to the consideration 2600  
to be given to each policyholder, including, if applicable, the 2601  
number of ~~shaes~~ shares of the new corporation and establish the 2602  
priority rights for subscription to any additional shares that 2603  
may be issued to each policyholder pursuant to section 3913.12 2604  
of the Revised Code. Certified copies of the report of the 2605  
appraisers shall be filed with the superintendent and sent to 2606  
the company. 2607

(E) Within sixty days after the appraisal committee files 2608  
its report with the superintendent, the company shall call a 2609  
meeting of policyholders. Notice of the time and place of such 2610  
meeting shall be sent by mail to each policyholder at ~~his~~ the 2611  
policyholder's post office address as it appears on the books of 2612  
the company, and to the superintendent, at least thirty days 2613  
prior to such meeting. Such notice shall include a copy of the 2614  
prospectus required under division (B) (3) of this section as 2615  
approved by the superintendent, a summary of the examination 2616  
approved by the superintendent, a uniform ballot for voting on 2617  
the question of conversion, together with a postage prepaid 2618  
envelope for the return of such ballot, a copy or summary of the 2619  
report of the appraisal committee, a statement of the 2620  
consideration to be given to the policyholder, including, if 2621  
applicable, the number of shares of the new company to be issued 2622  
to the policyholder and the priority rights of the policyholder 2623  
for subscription to any additional shares that may be issued, 2624  
and a statement that if the conversion is approved by the 2625  
policyholders, the superintendent will fix a time and place for 2626  
a public hearing on such conversion not more than sixty days 2627  
after the date of such meeting. The superintendent shall appoint 2628

sufficient inspectors to conduct the voting at said meeting and 2629  
to determine all questions concerning the verification of 2630  
ballots, the qualifications of voters, and the canvass of the 2631  
vote. The inspectors shall certify to the superintendent and to 2632  
the company the result of such proceedings. Voting at such 2633  
meeting may be in person, by proxy, or by mail as provided in 2634  
this division. All necessary expenses incurred by the department 2635  
in connection with such meeting, and certified by the 2636  
superintendent, shall be paid by the company. 2637

(F) If such conversion is approved at such meeting by the 2638  
affirmative vote of a majority of the policyholders of such 2639  
company voting at the meeting, the superintendent shall fix the 2640  
time and place for a public hearing not more than sixty days 2641  
after the date of such meeting. Otherwise, ~~he~~ the superintendent 2642  
shall issue an order prohibiting the conversion. Notice of the 2643  
time and place of such hearing shall be published once each week 2644  
for two consecutive weeks in a newspaper of general circulation 2645  
in the county where the home office of the company is located, 2646  
and in Franklin county, and the last such publication shall be 2647  
at least fifteen days prior to the date of such hearing. The 2648  
expenses of publication of notice shall be paid by the company. 2649  
At such hearing, the superintendent shall hear any person 2650  
adversely affected by the conversion, who may present ~~his~~ the 2651  
person's position, arguments, or contentions, offer and examine 2652  
witnesses, and present evidence tending to show that such 2653  
conversion does not meet the requirements contained in division 2654  
(A) of this section. If the superintendent finds that such 2655  
conversion meets such requirements, ~~he~~ the superintendent shall 2656  
issue ~~his~~ a written order accepting the report of the appraisal 2657  
committee and authorizing the conversion. Otherwise, ~~he~~ the 2658  
superintendent shall issue such order as is appropriate to ~~his~~ 2659

the superintendent's findings. 2660

(G) At or after the issuance of the order authorizing the 2661  
conversion, the articles of incorporation of the new company as 2662  
approved by the superintendent shall be filed with the secretary 2663  
of state. When such articles of incorporation of the new company 2664  
are filed and accepted by the secretary of state, the mutual 2665  
life insurance company shall become a stock life insurance 2666  
company, and all property of every description and every 2667  
interest therein, and all obligations of, belonging to, or due 2668  
the mutual company shall thereafter be considered vested in the 2669  
stock company without further act or deed. The stock insurance 2670  
company shall be liable for all obligations of the mutual 2671  
company and any claim existing or action or proceeding pending 2672  
by or against the company may be prosecuted to judgment, with 2673  
right of appeal as in other cases, as if such conversion had not 2674  
taken place. All rights of creditors, and all liens upon the 2675  
property of the mutual company shall be preserved unimpaired, 2676  
limited in lien to the property affected by such liens 2677  
immediately prior to the effective date of the conversion. 2678

The directors and officers of the mutual company shall 2679  
serve as the directors and officers of the new company, until 2680  
new directors and officers have been duly elected and qualified 2681  
pursuant to the articles of incorporation and by-laws of the new 2682  
company, and as otherwise provided by law. 2683

(H) Upon the conversion becoming effective pursuant to 2684  
division (G) of this section, the new company shall forthwith 2685  
proceed with winding up the affairs of the mutual company, and 2686  
with the issuance of stock and priority rights in accordance 2687  
with section 3913.12 of the Revised Code. Within six months 2688  
after such effective date of the conversion, the new company 2689

shall file with the superintendent a written report containing 2690  
such information as the superintendent may require to fully 2691  
apprise ~~him~~ the superintendent of the status of the conversion 2692  
and whether it has been or is being carried out in accordance 2693  
with its terms and according to law. 2694

**Sec. 3913.40.** (A) Any insurer, including any fraternal 2695  
benefit society, that is organized under the laws of another 2696  
state and is admitted to transact the business of insurance in 2697  
this state may become a domestic insurer by complying with all 2698  
of the requirements of law relative to the organization and 2699  
licensing of a domestic insurer of the same type and by 2700  
designating its principal place of business at a place in this 2701  
state. Such a domestic insurer shall be issued like certificates 2702  
and licenses to transact business in this state, is subject to 2703  
the jurisdiction of this state, and shall be recognized as an 2704  
insurer formed under the laws of this state as of the date of 2705  
its original incorporation in its original domiciliary state. 2706  
The superintendent of insurance shall approve any proposed 2707  
transfer of domicile under this division unless the 2708  
superintendent determines that the transfer is not in the 2709  
interest of policyholders of this state. 2710

(B) Any domestic insurer, upon the approval of the 2711  
superintendent, may transfer its domicile to any other state in 2712  
which it is admitted to transact the business of insurance. Upon 2713  
such a transfer, the insurer shall cease to be a domestic 2714  
insurer, and shall be admitted to this state if qualified as a 2715  
foreign insurer. The superintendent shall approve any proposed 2716  
transfer of domicile under this division unless the 2717  
superintendent determines that the transfer is not in the 2718  
interest of policyholders of this state. 2719

(C) (1) With respect to any insurer, including any fraternal benefit society, that is licensed to transact the business of insurance in this state and that transfers its domicile to this or any other state by merger, consolidation, or any other lawful method, both of the following apply:

(a) The certificate of authority, ~~agents~~agent appointments and licenses, rates, and other items as allowed by the superintendent that are in existence at the time of the transfer shall continue in effect upon the transfer if the insurer remains qualified to transact the business of insurance in this state.

(b) All outstanding policies shall remain in effect and need not be endorsed as to the new name of the company or its new location unless so ordered by the superintendent.

(2) Every transferring insurer as described in division (C) (1) of this section shall file new policy forms with the superintendent on or before the effective date of the transfer, but may use existing policy forms with appropriate endorsements if allowed by, and under such conditions as are approved by, the superintendent. Every such insurer shall notify the superintendent of the details of the proposed transfer, and shall file promptly any resulting amendments to corporate documents filed or required to be filed with the superintendent.

(D) Nothing in this section or any other provision of the Revised Code prohibits an insurer from transferring its domicile to this state because its charter, bylaws, or any other organizational document contains characteristics of both a mutual insurance company and a stock insurance company.

(E) The superintendent, in accordance with Chapter 119. of

the Revised Code, may adopt rules to carry out the purposes of 2749  
this section. 2750

**Sec. 3915.05.** No policy of life insurance shall be issued 2751  
or delivered in this state or be issued by a life insurance 2752  
company organized under the laws of this state unless such 2753  
policy contains: 2754

(A) A provision that all premiums shall be payable in 2755  
advance, either at the home office of the company or to an agent 2756  
of the company, upon delivery of a receipt signed by one or more 2757  
of the officers named in the policy; 2758

(B) A provision for a grace of one month for the payment 2759  
of every premium after the first, which extension period may be 2760  
subject to an interest charge and during which month the 2761  
insurance shall continue in force, which provision may contain a 2762  
stipulation that if the insured dies during the month of grace 2763  
the overdue premium will be deducted in any settlement under the 2764  
policy; 2765

(C) A provision that the policy and the application 2766  
therefor, a copy of which application must be indorsed on the 2767  
policy, shall constitute the entire contract between the parties 2768  
and shall be incontestable after it has been in force during the 2769  
lifetime of the insured for a period of not more than two years 2770  
from its date, except for nonpayment of premiums, except for 2771  
violations of the conditions relating to naval or military 2772  
service in time of war or to aeronautics, and except at the 2773  
option of the company, with respect to provisions relative to 2774  
benefits in the event of total and permanent disability and 2775  
provisions which grant additional insurance specifically against 2776  
death by accident or by accidental means; 2777

(D) A provision that all statements made by the insured in 2778  
the application shall, in the absence of fraud, be deemed 2779  
representations and not warranties; 2780

(E) A provision that if the age of the insured has been 2781  
understated the amount payable under the policy shall be such as 2782  
the premium would have purchased at the correct age; 2783

(F) A provision that the policy shall participate in the 2784  
surplus of the company and that, beginning not later than the 2785  
end of the third policy year, the company will annually 2786  
determine and account for the portion of the divisible surplus 2787  
accruing on the policy, and that the owner of the policy has the 2788  
right each year to have the current dividend arising from such 2789  
participation paid in cash or applied to the purchase of paid-up 2790  
additions, and if the policy provides other dividend options, it 2791  
shall further provide that if the owner of the policy does not 2792  
elect any such other option the dividend shall be applied to the 2793  
purchase of paid-up additions. 2794

In lieu of such provision, the policy may contain a 2795  
provision that: 2796

(1) The policy shall participate in the surplus of the 2797  
company; 2798

(2) Beginning not later than the end of the fifth policy 2799  
year, the company will determine and account for the portion of 2800  
the divisible surplus accruing on the policy; 2801

(3) The owner of the policy has the right to have the 2802  
current dividend arising from such participation paid in cash; 2803

(4) Such accounting and payment shall be had at periods of 2804  
not more than five years, at the option of the policyholder. 2805

Renewable term policies of ten years or less may provide 2806  
that the surplus accruing to such policies shall be determined 2807  
and apportioned each year after the second policy year and 2808  
accumulated during each renewal period, and that at the end of 2809  
any renewal period, on renewal of the policy by the insured, the 2810  
company shall apply the accumulated surplus as an annuity for 2811  
the next succeeding renewal term in the reduction of premiums. 2812

The provisions described in this division are not required 2813  
in nonparticipating policies. 2814

(G) A provision that after three full years' premiums have 2815  
been paid, the company, at any time while the policy is in 2816  
force, will advance, on proper assignment of the policy and on 2817  
the sole security thereof, at a rate of interest calculated 2818  
pursuant to section 3915.051 of the Revised Code, a sum equal 2819  
to, or at the option of the owner of the policy, less than, the 2820  
amount required by section 3915.08 of the Revised Code under the 2821  
conditions specified in said section, and that the company will 2822  
deduct from such loan value any indebtedness not already 2823  
deducted in determining such value and any unpaid balance of the 2824  
premium for the current policy year, and may collect interest in 2825  
advance on the loan to the end of the current policy year. It 2826  
shall be further stipulated in the policy that failure to repay 2827  
any such advance or to pay interest does not ~~avoid~~ void the 2828  
policy unless the total indebtedness thereon to the company 2829  
equals or exceeds such loan value at the time of such failure 2830  
nor until one month after notice has been mailed by the company 2831  
to the last known address of insured and of the assignee. 2832

No conditions, other than as provided in this division or 2833  
in section 3915.08 of the Revised Code, shall be exacted as a 2834  
prerequisite to any such advance. 2835

This provision is not required in term insurance nor does 2836  
it apply to any form of insurance granted as a nonforfeiture 2837  
benefit. 2838

(H) A provision for nonforfeiture benefits and cash 2839  
surrender values in accordance with the requirements of section 2840  
3915.06, 3915.07, or 3915.071 of the Revised Code; 2841

(I) Except for policies which guarantee unscheduled 2842  
changes in benefits upon the happening of specified events or 2843  
upon the exercise of an option without change to a new policy, a 2844  
table showing in figures the loan values and the options 2845  
available under the policies each year upon default in premium 2846  
payments, during at least the first twenty years of the policy; 2847

(J) A provision that if, in the event of default in 2848  
premium payments, the value of the policy is applied to the 2849  
purchase of other insurance, and if such insurance is in force 2850  
and the original policy has not been surrendered to the company 2851  
and canceled, the policy may be reinstated within three years 2852  
from such default, upon evidence of insurability satisfactory to 2853  
the company and payment of arrears of premiums with interest; 2854

(K) A provision that when a policy becomes a claim by the 2855  
death of the insured, settlement shall be made upon receipt of 2856  
due proof of death, or not later than two months after receipt 2857  
of such proof; 2858

(L) A table showing the amounts of installments in which 2859  
the policy provides its proceeds may be payable; 2860

(M) A title on its face and back, correctly describing 2861  
such policy. 2862

Any of the provisions described in this section or 2863  
portions thereof, relating to premiums not applicable to single 2864

premium policies, shall to that extent not be incorporated in 2865  
such policies. 2866

**Sec. 3915.053.** (A) (1) Except as provided in division (A) 2867  
(2) of this section, this section shall apply to any individual 2868  
life insurance policy insuring the life of a reservist, as 2869  
defined in section 3923.381 of the Revised Code, who is on 2870  
active duty pursuant to an executive order of the president of 2871  
the United States, an act of the congress of the United States, 2872  
or section 5919.29 or 5923.21 of the Revised Code, if the life 2873  
insurance policy meets both of the following conditions: 2874

(a) The policy has been in force for at least one hundred 2875  
eighty days. 2876

(b) The policy has been brought within the "Servicemembers 2877  
Civil Relief Act," 117 Stat. 2835 (2003), 50 U.S.C. App. 541, et 2878  
seq. 2879

(2) This section does not apply to any policy that was 2880  
~~cancelled~~ canceled or that had lapsed for the nonpayment of 2881  
premiums prior to the commencement of the insured's period of 2882  
military service. 2883

(B) An individual life insurance policy described in 2884  
division (A) of this section shall not lapse or be forfeited for 2885  
the nonpayment of premiums during a reservist's period of 2886  
military service or during the two-year period subsequent to the 2887  
end of the reservist's period of military service. 2888

(C) This section does not limit a life insurance company's 2889  
enforcement of provisions in the insured's policy relating to 2890  
naval or military service in time of war. 2891

**Sec. 3915.073.** (A) This section shall be known as the 2892  
standard nonforfeiture law for individual deferred annuities. 2893

(B) This section does not apply to any reinsurance, group annuity purchased under a retirement plan or plan of deferred compensation established or maintained by an employer, including a partnership or sole proprietorship, or by an employee organization, or by both, other than a plan providing individual retirement accounts or individual retirement annuities under section 408 of the Internal Revenue Code of 1954, 26 U.S.C.A. 408, as amended, premium deposit fund, variable annuity, investment annuity, immediate annuity, any deferred annuity contract after annuity payments have commenced, or reversionary annuity, nor to any contract which is delivered outside this state through an agent or other representative of the company issuing the contract.

(C) No contract of annuity, except as stated in division (B) of this section, shall be delivered or issued for delivery in this state unless the contract contains in substance the following provisions, or corresponding provisions that in the opinion of the superintendent of insurance are at least as favorable to the contract owners, relative to the cessation of payment of consideration under the contract:

(1) That upon cessation of payment of considerations under a contract, or upon the written request of the contract owner, the company shall grant a paid-up annuity benefit on a plan stipulated in the contract of such value as is specified in divisions (E), (F), (G), (H), and (J) of this section;

(2) If a contract provides for a lump sum settlement at maturity, or at any other time, that upon surrender of the contract at or prior to the commencement of any annuity payments, the company shall pay in lieu of any paid-up annuity benefit a cash surrender benefit of such amount as is specified

in divisions (E), (F), (H), and (J) of this section. The company 2924  
may reserve the right to defer the payment of such cash 2925  
surrender benefit for a period not to exceed six months after 2926  
demand therefor with surrender of the contract. The deferral is 2927  
contingent upon the company's conveyance of a written request 2928  
for the deferral to the superintendent and the company's receipt 2929  
of written approval from the superintendent for the deferral. 2930  
The request shall address the necessity and equitability to all 2931  
contract owners of the deferral~~+~~. 2932

(3) A statement of the mortality table, if any, and 2933  
interest rates used in calculating any minimum paid-up annuity, 2934  
cash surrender, or death benefits that are guaranteed under the 2935  
contract, together with sufficient information to determine the 2936  
amounts of such benefits; 2937

(4) A statement that any paid-up annuity, cash surrender, 2938  
or death benefits that may be available under the contract are 2939  
not less than the minimum benefits required by any statute of 2940  
the state in which the contract is delivered and an explanation 2941  
of the manner in which such benefits are altered by the 2942  
existence of any additional amounts credited by the company to 2943  
the contract, any indebtedness to the company on the contract, 2944  
or any prior withdrawals from or partial surrenders of the 2945  
contract. 2946

Notwithstanding the requirements of this section, any 2947  
deferred annuity contract may provide that if no considerations 2948  
have been received under a contract for a period of two full 2949  
years and the portion of the paid-up annuity benefit at maturity 2950  
on the plan stipulated in the contract arising from 2951  
considerations paid prior to such period would be less than 2952  
twenty dollars monthly, the company may at its option terminate 2953

such contract by payment in cash of the then present value of 2954  
such portion of the paid-up annuity benefit, calculated on the 2955  
basis of the mortality table, if any, and interest rate 2956  
specified in the contract for determining the paid-up annuity 2957  
benefit, and by such payment shall be relieved of any further 2958  
obligation under such contract. 2959

(D) The minimum values as specified in divisions (E), (F), 2960  
(G), (H), and (J) of this section of any paid-up annuity, cash 2961  
surrender, or death benefits available under an annuity contract 2962  
shall be based upon minimum nonforfeiture amounts as defined in 2963  
this division. 2964

(1) (a) The minimum nonforfeiture amount at any time at or 2965  
prior to the commencement of any annuity payments shall be equal 2966  
to an accumulation up to such time at rates of interest 2967  
determined in accordance with division (D) (2) of this section of 2968  
the net considerations, determined in accordance with division 2969  
(D) (1) (b) of this section, paid prior to such time, decreased by 2970  
the sum of: 2971

(i) Any prior withdrawals from or partial surrenders of 2972  
the contract, accumulated at rates of interest determined in 2973  
accordance with division (D) (2) of this section; 2974

(ii) An annual contract charge of fifty dollars, 2975  
accumulated at rates of interest determined in accordance with 2976  
division (D) (2) of this section; 2977

(iii) Any premium tax paid by the company for the 2978  
contract, accumulated at rates of interest determined in 2979  
accordance with division (D) (2) of this section; 2980

(iv) The amount of any indebtedness to the company on the 2981  
contract, including interest due and accrued. 2982

(b) The net considerations for a given contract year used 2983  
to define the minimum nonforfeiture amount shall be an amount 2984  
equal to eighty-seven and one-half per cent of the gross 2985  
considerations credited to the contract during that contract 2986  
year. 2987

(2) (a) The interest rate used in determining minimum 2988  
nonforfeiture amounts under divisions (D) (1) to (4) of this 2989  
section shall be an annual rate of interest determined as the 2990  
lesser of three per cent per annum or the following, which shall 2991  
be specified in the contract if the interest rate will be reset: 2992

(i) The five-year constant maturity treasury rate reported 2993  
by the federal reserve as of a date or an average over a period, 2994  
rounded to the nearest one-twentieth of one per cent, specified 2995  
in the contract, no longer than fifteen months prior to the 2996  
contract issue date or the redetermination date specified in 2997  
division (D) (2) (b) of this section; 2998

(ii) Reduced by one hundred twenty-five basis points; 2999

(iii) Where the resulting interest rate shall not be less 3000  
than one per cent. 3001

(b) The interest rate determined under division (D) (2) (a) 3002  
of this section shall apply for an initial period and may be 3003  
redetermined for additional periods. The redetermination date, 3004  
basis and period, if any, shall be stated in the contract. The 3005  
basis is the date or average over a specified period that 3006  
produces the value of the five-year constant maturity treasury 3007  
rate to be used at each redetermination date. 3008

(3) During the period or term that a contract provides 3009  
~~substantive~~ substantive participation in an equity-indexed 3010  
benefit, the contract may provide for an increase in the 3011

reduction described in division (D) (2) (a) (ii) of this section by 3012  
a maximum of one hundred basis points to reflect the value of 3013  
the equity-indexed benefit. The present value at the contract 3014  
issue date, and at each redetermination date thereafter, of the 3015  
additional reduction shall not exceed the market value of the 3016  
benefit. The superintendent may require a demonstration that the 3017  
present value of the additional reduction does not exceed the 3018  
market value of the benefit. If the demonstration is not 3019  
acceptable to the superintendent, the superintendent may 3020  
disallow or limit the additional reduction. 3021

(4) The superintendent may adopt rules to implement 3022  
division (D) (3) of this section and to provide for further 3023  
adjustments to the calculation of minimum nonforfeiture amounts 3024  
for contracts that provide substantive participation in an 3025  
equity-indexed benefit and for other contracts for which the 3026  
superintendent determines adjustments are justified. 3027

(E) Any paid-up annuity benefit available under a contract 3028  
shall be such that its present value on the date annuity 3029  
payments are to commence is at least equal to the minimum 3030  
nonforfeiture amount on that date. Such present value shall be 3031  
computed using the mortality table, if any, and the interest 3032  
rate specified in the contract for determining the minimum paid- 3033  
up annuity benefits guaranteed in the contract. 3034

(F) For contracts which provide cash surrender benefits, 3035  
such cash surrender benefits available prior to maturity shall 3036  
not be less than the present value as of the date of surrender 3037  
of that portion of the maturity value of the paid-up annuity 3038  
benefit that would be provided under the contract at maturity 3039  
arising from considerations paid prior to the time of cash 3040  
surrender reduced by the amount appropriate to reflect any prior 3041

withdrawals from or partial surrenders of the contract, such 3042  
present value being calculated on the basis of an interest rate 3043  
not more than one per cent higher than the interest rate 3044  
specified in the contract for accumulating the net 3045  
considerations to determine such maturity value, decreased by 3046  
the amount of any indebtedness to the company on the contract, 3047  
including interest due and accrued, and increased by any 3048  
existing additional amounts credited by the company to the 3049  
contract. In no event shall any cash surrender benefit be less 3050  
than the minimum nonforfeiture amount at that time. The death 3051  
benefit under such contracts shall be at least equal to the cash 3052  
surrender benefit. 3053

(G) For contracts that do not provide cash surrender 3054  
benefits, the present value of any paid-up annuity benefit 3055  
available as a nonforfeiture option at any time prior to 3056  
maturity shall not be less than the present value of that 3057  
portion of the maturity value of the paid-up annuity benefit 3058  
provided under the contract arising from considerations paid 3059  
prior to the time the contract is surrendered in exchange for, 3060  
or changed to, a deferred paid-up annuity, such present value 3061  
being calculated for the period prior to the maturity date on 3062  
the basis of the interest rate specified in the contract for 3063  
accumulating the net considerations to determine such maturity 3064  
value, and increased by any existing additional amounts credited 3065  
by the company to the contract. For contracts that do not 3066  
provide any death benefits prior to the commencement of any 3067  
annuity payments, such present values shall be calculated on the 3068  
basis of such interest rate and the mortality table specified in 3069  
the contract for determining the maturity value of the paid-up 3070  
annuity benefit. However, in no event shall the present value of 3071  
a paid-up annuity benefit be less than the minimum nonforfeiture 3072

amount at that time. 3073

(H) For the purpose of determining the benefits calculated 3074  
under divisions (F) and (G) of this section, in the case of 3075  
annuity contracts under which an election may be made to have 3076  
annuity payments commence at optional maturity dates, the 3077  
maturity date shall be deemed to be the latest date for which 3078  
election shall be permitted by the contract, but shall not be 3079  
deemed to be later than the anniversary of the contract next 3080  
following the annuitant's seventieth birthday or the tenth 3081  
anniversary of the contract, whichever is later. 3082

(I) Any contract that does not provide cash surrender 3083  
benefits or does not provide death benefits at least equal to 3084  
the minimum nonforfeiture amount prior to the commencement of 3085  
any annuity payments shall include a statement in a prominent 3086  
place in the contract that such benefits are not provided. 3087

(J) Any paid-up annuity, cash surrender, or death benefits 3088  
available at any time, other than on the contract anniversary 3089  
under any contract with fixed scheduled considerations, shall be 3090  
calculated with allowance for the lapse of time and the payment 3091  
of any scheduled considerations beyond the beginning of the 3092  
contract year in which cessation of payment of considerations 3093  
under the contract occurs. 3094

(K) For any contract that provides, within the same 3095  
contract by rider or supplemental contract provision, both 3096  
annuity benefits and life insurance benefits that are in excess 3097  
of the greater of cash surrender benefits or a return of the 3098  
gross considerations with interest, the minimum nonforfeiture 3099  
benefit shall be equal to the sum of the minimum nonforfeiture 3100  
benefits for the annuity portion and the minimum nonforfeiture 3101  
benefits, if any, for the life insurance portion computed as if 3102

each portion were a separate contract. Notwithstanding the 3103  
provisions of divisions (E), (F), (G), (H), and (J) of this 3104  
section, additional benefits payable: 3105

(1) In the event of total and permanent disability; 3106

(2) As reversionary annuity or deferred reversionary 3107  
annuity benefits; or 3108

(3) As other policy benefits additional to life insurance, 3109  
endowment and annuity benefits, and considerations for all such 3110  
additional benefits shall be disregarded in ascertaining the 3111  
minimum nonforfeiture amounts, paid-up annuity, cash surrender, 3112  
and death benefits that may be required by this section. 3113

The inclusion of such additional benefits shall not be 3114  
required in any paid-up benefits, unless such additional 3115  
benefits separately would require minimum nonforfeiture amounts, 3116  
paid-up annuity, cash surrender, and death benefits. 3117

(L) The superintendent may adopt rules in accordance with 3118  
Chapter 119. of the Revised Code to implement this section. 3119

**Sec. 3915.13.** No life insurance company nor any of its 3120  
agents shall knowingly make, issue, or deliver in this state any 3121  
policy or contract of life insurance which purports to be issued 3122  
or to take effect as of a date more than ~~three~~six months before 3123  
the application therefor was made, if thereby the premium on 3124  
such policy or contract is reduced below the premium which would 3125  
be payable thereon, as determined by the nearest birthday of the 3126  
insured at the time when such application was made. In 3127  
determining the date when an application was made, under this 3128  
section the date of execution of the application or the date of 3129  
medical examination, where such examination is required, 3130  
whichever is later, shall govern. 3131

This section does not prohibit the exchange, alteration, 3132  
or conversion of any policy of life or endowment insurance or 3133  
any annuity in the manner provided by section 3915.12 of the 3134  
Revised Code, nor does it invalidate any contract made in 3135  
violation of this section. 3136

**Sec. 3916.171.** (A) No person shall commit a fraudulent 3137  
viatical settlement act. 3138

(B) All of the following acts are fraudulent viatical 3139  
settlement acts when committed by any person who, knowingly and 3140  
with intent to defraud and for the purpose of depriving another 3141  
of property or for pecuniary gain, commits, or permits any of 3142  
its employees or its agents to commit them: 3143

(1) Presenting, causing to be presented, or preparing with 3144  
knowledge or belief that it will be presented to or by a 3145  
viatical settlement provider, viatical settlement broker, life 3146  
expectancy provider, viatical settlement purchaser, financing 3147  
entity, insurer, insurance broker, insurance agent, or any other 3148  
person, any false material information, or concealing any 3149  
material information, as part of, in support of, or concerning a 3150  
fact material to, one or more of the following: 3151

(a) An application for the issuance of a viatical 3152  
settlement contract or a policy; 3153

(b) The underwriting of a viatical settlement contract or 3154  
a policy; 3155

(c) A claim for payment or benefit pursuant to a viatical 3156  
settlement contract or a policy; 3157

(d) Any premiums paid on a policy; 3158

(e) Any payments and changes in ownership or beneficiary 3159

made in accordance with the terms of a viatical settlement	3160
contract or a policy;	3161
(f) The reinstatement or conversion of a policy;	3162
(g) The solicitation, offer, effectuation, or sale of a	3163
viatical settlement contract or a policy;	3164
(h) The issuance of written evidence of a viatical	3165
settlement contract or a policy;	3166
(i) A financing transaction;	3167
(j) Any application for or the existence of or any	3168
payments related to a loan secured directly or indirectly by any	3169
interest in a policy.	3170
(2) Failing to disclose to the insurer, where the insurer	3171
has requested such disclosure, that the prospective insured has	3172
undergone a life expectancy evaluation by any person or entity	3173
other than the insurer or its authorized representatives in	3174
connection with the application, underwriting, and issuance of	3175
the policy.	3176
(3) In the furtherance of a fraud or to prevent the	3177
detection of a fraud, doing any of the following:	3178
(a) Removing, concealing, altering, destroying, or	3179
sequestering from the superintendent of insurance the assets or	3180
records of a licensee or another person engaged in the business	3181
of viatical settlements;	3182
(b) Misrepresenting or concealing the financial condition	3183
of a licensee, financing entity, insurer, or any other person;	3184
(c) Transacting the business of viatical settlements in	3185
violation of any law of this state requiring a license,	3186

certificate of authority, or other legal authority for the	3187
transaction of the business of viatical settlements;	3188
(d) Filing with the superintendent of insurance or the	3189
chief insurance regulatory official of another jurisdiction a	3190
document containing false information or otherwise concealing	3191
from the superintendent any information about a material fact.	3192
(4) Recklessly entering into, negotiating, brokering, or	3193
otherwise dealing in a viatical settlement contract involving a	3194
policy that was obtained by presenting false, deceptive, or	3195
misleading information of any fact material to the policy, or by	3196
concealing information concerning any fact material to the	3197
policy, for the purpose of misleading and with the intent to	3198
defraud the issuer of the policy, the viatical settlement	3199
provider, or the viator;	3200
(5) Committing any embezzlement, theft, misappropriation,	3201
or conversion of moneys, funds, premiums, credits, or other	3202
property of a viatical settlement provider, insurer, insured,	3203
viator, policyowner, or any other person engaged in the business	3204
of viatical settlements or insurance;	3205
(6) Employing any plan, financial structure, device,	3206
scheme, or artifice to defraud in the business of viatical	3207
settlements;	3208
(7) Misrepresenting the state of residence or facilitating	3209
the change of the state in which a person owns a policy or the	3210
state of residency of a viator to a state or jurisdiction that	3211
does not have laws similar to this chapter for the express	3212
purposes of evading or avoiding the provisions of this chapter;	3213
(8) In the solicitation, application, or issuance of a	3214
policy, employing any device, scheme, or artifice in violation	3215

of ~~sections~~ section 3911.09 or 3911.091 of the Revised Code; 3216

(9) Engaging in any conduct related to a viatical 3217  
settlement contract if the person knows or should have known 3218  
that the intent of the transaction was to avoid the disclosure 3219  
and notice requirements of section 3916.06 of the Revised Code; 3220

(10) Entering into a premium finance agreement with any 3221  
person pursuant to which the person will receive, directly or 3222  
indirectly, any proceeds, fees, or other considerations from the 3223  
policy, the owner of the policy, the issuer of the policy, or 3224  
from any other person with respect to the premium finance 3225  
agreement or any viatical settlement contract, or from any 3226  
transaction related to the policy, that are in addition to the 3227  
amount required to pay the principal, interest, costs, and 3228  
expenses related to the policy premiums pursuant to the premium 3229  
finance agreement or subsequent sale of the agreement. Any 3230  
payments, charges, fees, or other amounts in addition to the 3231  
amounts required to pay the principal, interest, costs, and 3232  
expenses related to policy premiums paid under the premium 3233  
finance agreement shall be remitted to the original owner of the 3234  
policy or, if the owner is not living at the time of the 3235  
determination of the overpayment, to the estate of the owner. 3236

(11) With respect to any viatical settlement contract or a 3237  
policy, for a viatical settlement broker or an agent registered 3238  
under this chapter as operating as a viatical settlement broker 3239  
to knowingly solicit an offer from, effectuate a viatical 3240  
settlement with, or make a sale to any viatical settlement 3241  
provider, viatical settlement purchaser, financing entity, or 3242  
related provider trust that is controlling, controlled by, or 3243  
under common control with such viatical settlement broker or 3244  
registered agent unless both of the following are true: 3245

(a) The viatical settlement broker or agent disclosed that 3246  
affiliation to the viator. 3247

(b) The viatical settlement broker or agent is controlled 3248  
by or under common control with a person that is regulated under 3249  
the "Securities Act of 1933" or the "Securities Act of 1934," 15 3250  
U.S.C. 77a et seq., as amended. 3251

(12) With respect to any viatical settlement contract or a 3252  
policy, for a viatical settlement provider to knowingly enter 3253  
into a viatical settlement contract with a viator if, in 3254  
connection with such viatical settlement contract, anything of 3255  
value will be paid to a viatical settlement broker or an agent 3256  
registered under this chapter as operating as a viatical 3257  
settlement broker that is controlling, controlled by, or under 3258  
common control with such viatical settlement provider or the 3259  
viatical settlement purchaser, financing entity, or related 3260  
provider trust that is involved in such viatical settlement 3261  
contract unless both of the following are true: 3262

(a) The viatical settlement broker or agent disclosed that 3263  
affiliation to the viator. 3264

(b) The viatical settlement broker or agent is controlled 3265  
by or under common control with a person that is regulated under 3266  
the "Securities Act of 1933" or the "Securities Act of 1934," 15 3267  
U.S.C. 77a et seq., as amended. 3268

(13) Issuing, soliciting, marketing, or otherwise 3269  
promoting the purchase of a policy for the purpose of or with 3270  
emphasis on settling the policy; 3271

(14) Issuing or using a pattern of false, misleading, or 3272  
deceptive life expectancies; 3273

(15) Issuing, soliciting, marketing, or otherwise 3274

promoting stranger-originated life insurance; 3275

(16) Attempting to commit, assisting, aiding or abetting 3276  
in the commission of, or conspiracy to commit any act or 3277  
omission specified in divisions (B)(1) to (15) of this section. 3278

**Sec. 3919.14.** A company or association organized under 3279  
section 3919.01 of the Revised Code amending its articles of 3280  
incorporation and its constitution and bylaws is subject to 3281  
sections 3919.11 and 3919.12 of the Revised Code as to its 3282  
organization and government, and it shall make separate annual 3283  
statements to the superintendent of insurance of the business 3284  
transacted by it under the assessment plan, as required by 3285  
section ~~3919.01 to 3919.15, inclusive,~~ 3919.16 of the Revised 3286  
Code, ~~or for the purpose of and of the business transacted by it~~ 3287  
under the level premium or legal reserve plan, as required by 3288  
section 3907.19 of the Revised Code. 3289

**Sec. 3922.11.** (A) The superintendent of insurance shall 3290  
establish and maintain a system for receiving and reviewing 3291  
requests for external review for adverse benefit determinations 3292  
where the determination by the health plan issuer was based on a 3293  
contractual issue and did not involve a medical judgment or a 3294  
determination based on any medical information, except for 3295  
emergency services, as specified in division (C) of section 3296  
3922.05 of the Revised Code. 3297

(B) A health plan issuer shall submit a request for 3298  
external review pursuant to division (B) or (C) of section 3299  
3922.05 of the Revised Code to the superintendent, in accordance 3300  
with any associated rules, policies, or procedures adopted by 3301  
the superintendent of insurance. 3302

(C) On receipt of a request from a health plan issuer, the 3303

superintendent shall consider whether the health care service is 3304  
a service covered under the terms of the covered person's 3305  
policy, contract, certificate, or agreement, except that the 3306  
superintendent shall not conduct a review under this section 3307  
unless the covered person has exhausted the health plan issuer's 3308  
internal appeal process, pursuant to sections 3922.03 and 3309  
3922.04 of the Revised Code. The health plan issuer and covered 3310  
person shall provide the superintendent with any information 3311  
required by the superintendent that is in their possession and 3312  
is germane to the review. 3313

(D) Unless the superintendent is not able to do so because 3314  
making the determination requires a medical-~~judgement~~ judgment 3315  
or a determination based on medical information, the 3316  
superintendent shall determine whether the health care service 3317  
at issue is a service covered under the terms of the covered 3318  
person's contract, policy, certificate, or agreement. The 3319  
superintendent shall notify the covered person and the health 3320  
plan issuer of the superintendent's determination. 3321

(E) If the superintendent notifies the health plan issuer 3322  
that making the determination requires a medical-~~judgement~~- 3323  
judgment or a determination based on medical information, the 3324  
health plan issuer shall initiate an external review under this 3325  
chapter. 3326

(F) If the superintendent determines that the health 3327  
service is a covered service, the health plan issuer shall cover 3328  
the service. 3329

(G) If the superintendent determines that the health care 3330  
service is not a covered service, the health plan issuer is not 3331  
required to cover the service or afford the covered person an 3332  
external review by an independent review organization. 3333

**Sec. 3922.14.** (A) To be accredited by the superintendent 3334  
of insurance to conduct external reviews under section 3922.13 3335  
of the Revised Code, in addition to the requirements provided in 3336  
section 3922.13 of the Revised Code and any associated rules 3337  
adopted by the superintendent, an independent review 3338  
organization shall do all of the following: 3339

(1) Develop and maintain written policies and procedures 3340  
that govern all aspects of both the standard external review 3341  
process and the expedited external review process set forth in 3342  
this chapter, including a quality assurance mechanism that does 3343  
all of the following: 3344

(a) Ensures that external reviews are conducted within the 3345  
time frames prescribed under this chapter and that the required 3346  
notices are provided in a timely manner; 3347

(b) Ensures the selection of qualified and impartial 3348  
clinical reviewers to conduct external reviews on behalf of the 3349  
independent review organization; 3350

(c) Ensures that chosen clinical reviewers are suitably 3351  
matched according to their area of expertise to specific cases 3352  
and that the independent review organization employs or 3353  
contracts with an adequate number of clinical reviewers to meet 3354  
this requirement; 3355

(d) Ensures the confidentiality of medical and treatment 3356  
records and clinical review criteria; 3357

(e) Ensures that any person employed by, or who is under 3358  
contract with, the independent review organization adheres to 3359  
the requirements of this chapter. 3360

(2) Maintain a toll-free telephone service to receive 3361  
information on a twenty-four-hour-a-day, seven-days-a-week basis 3362

related to external reviews that is capable of accepting, 3363  
recording, and providing appropriate instruction to incoming 3364  
telephone callers during other than normal business hours; 3365

(3) Agree to maintain and provide to the superintendent, 3366  
upon request and in accordance with any associated rules, 3367  
policies, or procedures adopted by the superintendent of 3368  
insurance, the information prescribed in section 3922.17 of the 3369  
Revised Code. 3370

(B) An independent review organization may not own or 3371  
control, be a subsidiary of or in any way be owned or controlled 3372  
by, or exercise control with a health plan issuer, a national, 3373  
state, or local trade association of health plan issuers, or a 3374  
national, state, or local trade association of health care 3375  
providers. 3376

(C) (1) Neither the independent review organization 3377  
selected to conduct the external review nor any clinical 3378  
reviewer assigned by the independent organization to conduct the 3379  
external review may have a material, professional, familial, or 3380  
financial affiliation with any of the following: 3381

(a) The health plan issuer that is the subject of the 3382  
external review, or any officer, director, or management 3383  
employee of the health plan issuer; 3384

(b) The covered person whose treatment is the subject of 3385  
the external review; 3386

(c) The health care provider, or the health care 3387  
provider's medical group or independent practice association, 3388  
recommending the health care service or treatment that is the 3389  
subject of the external review; 3390

(d) The facility at which the recommended health care 3391

service would be provided; 3392

(e) The developer or manufacturer of the principal drug, 3393  
device, procedure, or other therapy being recommended for the 3394  
covered person whose treatment is the subject of the external 3395  
review. 3396

(2) The superintendent may make a determination as to 3397  
whether an independent review organization or a clinical 3398  
reviewer of the independent review organization has a material 3399  
professional, familial, or financial conflict of interest for 3400  
purposes of division (C)(1) of this section. In making this 3401  
determination, the superintendent may take into consideration 3402  
situations where an independent review organization, or a 3403  
clinical reviewer, may have an apparent conflict of interest, 3404  
but that the characteristics of the relationship or connection 3405  
in question are such that they do not fall under the definition 3406  
of conflict of interest provided under division (D)(1) of this 3407  
section. If the superintendent determines that a conflict of 3408  
interest exists, the superintendent shall disallow an 3409  
independent review organization or a clinical reviewer from 3410  
conducting the external review in question. Such determinations 3411  
related to conflicts of interest are the sole discretion of the 3412  
superintendent of insurance. 3413

(D)(1) An independent review organization that is 3414  
accredited by a nationally recognized private accrediting entity 3415  
that has independent review accreditation standards that the 3416  
superintendent has determined are equivalent to or exceed the 3417  
minimum qualifications of this section shall be presumed in 3418  
compliance with this section to be eligible for accreditation by 3419  
the superintendent under section ~~3922.14~~3922.13 of the Revised 3420  
Code. 3421

(2) The superintendent shall initially review and 3422  
periodically review the independent review organization 3423  
accreditation standards of a nationally recognized private 3424  
accrediting entity to determine whether the entity's standards 3425  
are, and continue to be, equivalent to or exceed the minimum 3426  
qualifications established under this section. The 3427  
superintendent may accept a review conducted by the national 3428  
association of insurance commissioners for the purpose of the 3429  
determination under this division. 3430

(3) Upon request, a nationally recognized, private 3431  
accrediting entity shall make its current independent review 3432  
organization accreditation standards available to the 3433  
superintendent or the national association of insurance 3434  
commissioners in order for the superintendent to determine if 3435  
the entity's standards are equivalent to or exceed the minimum 3436  
qualifications established under this section. The 3437  
superintendent may exclude any private accrediting entity that 3438  
is not reviewed by the national association of insurance 3439  
commissioners. 3440

(E) An independent review organization shall be unbiased 3441  
in its review of adverse benefit determinations and shall 3442  
establish and maintain written procedures to ensure that it is 3443  
unbiased. 3444

**Sec. 3923.021.** (A) As used in this section: 3445

(1) "Benefits provided are not unreasonable in relation to 3446  
the premium charged" means the rates were calculated in 3447  
accordance with sound actuarial principles. 3448

(2) "Individual policy of sickness and accident insurance" 3449  
includes sickness and accident insurance made available by 3450

insurers in the individual market to individuals, with or 3451  
without family members or dependents, through group policies 3452  
issued to one or more associations or entities. 3453

(B) With respect to any filing, made pursuant to section 3454  
3923.02 of the Revised Code, of any premium rates for any 3455  
individual policy of sickness and accident insurance or 3456  
certificates made available by an insurer to individuals in the 3457  
individual market through a group policy or for any indorsement 3458  
or rider pertaining thereto, the superintendent of insurance 3459  
may, within thirty days after filing: 3460

(1) Disapprove such filing after finding that the benefits 3461  
provided are unreasonable in relation to the premium charged. 3462  
Such disapproval shall be effected by written order of the 3463  
superintendent, a copy of which shall be mailed to the insurer 3464  
that has made the filing. In the order, the superintendent shall 3465  
specify the reasons for the disapproval and state that a hearing 3466  
will be held within fifteen days after requested in writing by 3467  
the insurer. If a hearing is so requested, the superintendent 3468  
shall also give such public notice as the superintendent 3469  
considers appropriate. The superintendent, within fifteen days 3470  
after the commencement of any hearing, shall issue a written 3471  
order, a copy of which shall be mailed to the insurer that has 3472  
made the filing, either affirming the prior disapproval or 3473  
approving such filing after finding that the benefits provided 3474  
are not unreasonable in relation to the premium charged. 3475

(2) Set a date for a public hearing to commence no later 3476  
than forty days after the filing. The superintendent shall give 3477  
the insurer making the filing twenty days' written notice of the 3478  
hearing and shall give such public notice as the superintendent 3479  
considers appropriate. The superintendent, within twenty days 3480

after the commencement of a hearing, shall issue a written 3481  
order, a copy of which shall be mailed to the insurer that has 3482  
made the filing, either approving such filing if the 3483  
superintendent finds that the benefits provided are not 3484  
unreasonable in relation to the premium charged, or disapproving 3485  
such filing if the superintendent finds that the benefits 3486  
provided are unreasonable in relation to the premium charged. 3487  
This division does not apply to any insurer organized or 3488  
transacting the business of insurance under Chapter 3907. or 3489  
3909. of the Revised Code. 3490

(3) Take no action, in which case such filing shall be 3491  
deemed to be approved and shall become effective upon the 3492  
thirty-first day after such filing, unless the superintendent 3493  
has previously given to the insurer a written approval. 3494

(C) At any time after any filing has been approved 3495  
pursuant to this section, the superintendent may, after a 3496  
hearing of which at least twenty days' written notice has been 3497  
given to the insurer that has made such filing and for which 3498  
such public notice as the superintendent considers appropriate 3499  
has been given, withdraw approval of such filing after finding 3500  
that the benefits provided are unreasonable in relation to the 3501  
premium charged. Such withdrawal of approval shall be effected 3502  
by written order of the superintendent, a copy of which shall be 3503  
mailed to the insurer that has made the filing, which shall 3504  
state the ground for such withdrawal and the date, not less than 3505  
forty days after the date of such order, when the withdrawal ~~or~~ 3506  
of approval shall become effective. 3507

(D) The superintendent may retain at the insurer's expense 3508  
such attorneys, actuaries, accountants, and other experts not 3509  
otherwise a part of the superintendent's staff as shall be 3510

reasonably necessary to assist in the preparation for and 3511  
conduct of any public hearing under this section. The expense 3512  
for retaining such experts and the expenses of the department of 3513  
insurance incurred in connection with such public hearing shall 3514  
be assessed against the insurer in an amount not to exceed one 3515  
one-hundredth of one per cent of the sum of premiums earned plus 3516  
net realized investment gain or loss of such insurer as 3517  
reflected in the most current annual statement on file with the 3518  
superintendent. Any person retained shall be under the direction 3519  
and control of the superintendent and shall act in a purely 3520  
advisory capacity. 3521

**Sec. 3923.04.** Except as provided in section 3923.07 of the 3522  
Revised Code, every policy of sickness and accident insurance 3523  
delivered, issued for delivery, or used in this state shall 3524  
contain the standard provisions specified in this section in the 3525  
words in which the same appear in this section. Such standard 3526  
provisions shall be preceded individually by the caption 3527  
appearing in this section or, at the option of the insurer, by 3528  
such appropriate individual or group captions or subcaptions as 3529  
the superintendent of insurance may approve. 3530

(A) A provision as follows: Entire contract; changes. This 3531  
policy, including the indorsements and the attached papers, if 3532  
any, constitutes the entire contract of insurance. No change in 3533  
this policy shall be valid until approved by an executive 3534  
officer of the insurer and unless such approval be indorsed 3535  
hereon or attached hereto. No agent has authority to change this 3536  
policy or to waive any of its provisions. 3537

No statement made by an applicant for a policy of sickness 3538  
and accident insurance not included therein shall avoid the 3539  
policy or be used to deny any claim thereunder or be used in any 3540

legal proceeding thereunder. 3541

(B) A provision in two parts as follows: Time limit on 3542  
certain defenses. 3543

(1) After two years from the date of issue of this policy 3544  
no misstatements, except fraudulent misstatements, made by the 3545  
applicant in the application for this policy shall be used to 3546  
void this policy or to deny a claim for loss incurred or 3547  
disability (as defined in this policy) commencing after the 3548  
expiration of such two \_year period. 3549

The policy provision in division (B)(1) of this section 3550  
shall not be so construed as to affect any legal requirements 3551  
for avoidance of a policy or denial of a claim during such 3552  
initial two-year period, nor to limit the application of 3553  
divisions (A), (B), (C), (D), and (E) of section 3923.05 of the 3554  
Revised Code in the event of misstatement with respect to age, 3555  
occupation, or other insurance. 3556

A policy which the insured has the right to continue in 3557  
force subject to its terms by the timely payment of premiums 3558  
until at least age fifty, or a policy issued after the insured 3559  
has attained age forty-four and which the insured has the right 3560  
to continue in force subject to its terms by the timely payment 3561  
of premiums for at least five years from its date of issue, may 3562  
contain, in lieu of the foregoing policy provision in division 3563  
(B)(1) of this section, a provision, from which the clause in 3564  
parentheses may be omitted at the insurer's option, under the 3565  
caption Incontestable, as follows: After this policy has been in 3566  
force for a period of two years during the lifetime of the 3567  
insured (excluding any period during which the insured is 3568  
disabled), it shall become incontestable as to the statements 3569  
contained in the application. 3570

(2) No claim for loss incurred or disability (as defined 3571  
in this policy) commencing after two years from the date of 3572  
issue of this policy shall be reduced or denied on the ground 3573  
that a disease or physical condition not excluded from coverage 3574  
by name or specific description effective on the date of loss 3575  
had existed prior to the effective date of coverage of this 3576  
policy. 3577

No chronic disease or chronic physical condition may be 3578  
excluded from the coverage of a policy of sickness insurance or 3579  
from the sickness insurance coverage of a policy of sickness and 3580  
accident insurance except by name or specific description. 3581

(C) A provision as follows: Grace period. A grace period 3582  
of \_\_\_\_\_ days will be granted for the payment of each 3583  
premium falling due after the first premium, during which grace 3584  
period this policy shall continue in force. 3585

The insurer shall insert in the blank space in the policy 3586  
provision in division (C) of this section a number not smaller 3587  
than seven for weekly premium policies or ten for monthly 3588  
premium policies or thirty-one for all other policies. 3589

A policy in which the insurer reserves the right to refuse 3590  
any renewal shall contain a provision, at the beginning of the 3591  
policy provision in division (C) of this section, as follows: 3592  
Unless not less than five days prior to the premium due date the 3593  
insurer has delivered to the insured or has mailed to ~~his~~ the 3594  
insured's last address as shown by the records of the insurer 3595  
written notice of its intention not to renew this policy beyond 3596  
the period for which the premium has been accepted. Each such 3597  
policy, other than an accident insurance only policy, shall 3598  
provide in substance, in a provision thereof or in an 3599  
indorsement thereon or in a rider attached thereto, that the 3600

insurer may not refuse renewal of the policy before the first 3601  
anniversary, or between anniversaries, of its date of issue, and 3602  
that any non-renewal of the policy by the insurer or insured 3603  
shall be without prejudice to any claim originating prior to the 3604  
effective date of non-renewal. 3605

(D) A provision as follows: Reinstatement. If any renewal 3606  
premium be not paid within the time granted the insured for 3607  
payment, a subsequent acceptance of premium by the insurer or by 3608  
any agent duly authorized by the insurer to accept such premium, 3609  
without requiring in connection therewith an application for 3610  
reinstatement, shall reinstate this policy. If the insurer or 3611  
such agent requires an application for reinstatement and issues 3612  
a conditional receipt for the premium tendered, this policy will 3613  
be reinstated upon approval of such application by the insurer 3614  
or, lacking such approval, upon the forty-fifth day following 3615  
the date of such conditional receipt unless the insurer has 3616  
previously notified the insured in writing of its disapproval of 3617  
such application. The reinstated policy shall cover only loss 3618  
resulting from such accidental injury as may be sustained after 3619  
the date of reinstatement and loss due to such sickness as may 3620  
begin more than ten days after such date. In all other respects 3621  
the insured and insurer shall have the same rights thereunder as 3622  
they had under this policy immediately before the due date of 3623  
the defaulted premium, subject to any provisions indorsed hereon 3624  
or attached hereto in connection with the reinstatement. Any 3625  
premium accepted in connection with a reinstatement shall be 3626  
applied to a period for which premium has not been previously 3627  
paid, but not to any period more than sixty days prior to the 3628  
date of reinstatement. 3629

The last sentence of the policy provision in division (D) 3630  
of this section may be omitted from any policy which the insured 3631

has the right to continue in force subject to its terms by the 3632  
timely payment of premiums until at least age fifty or from any 3633  
policy issued after the insured has attained age forty-four and 3634  
which the insured has the right to continue in force subject to 3635  
its terms by the timely payment of premiums for at least five 3636  
years from its date of issue. 3637

(E) A provision as follows: Notice of claim. Written 3638  
notice of claim must be given to the insurer within twenty days 3639  
after the occurrence or commencement of any loss covered by this 3640  
policy, or as soon thereafter as is reasonably possible. Notice 3641  
given by or on behalf of the insured or the beneficiary to the 3642  
insurer at \_\_\_\_\_ or to any authorized agent of the insurer, 3643  
with information sufficient to identify the insured, shall be 3644  
deemed notice to the insurer. 3645

The insurer shall insert in the blank space in the policy 3646  
provision in division (E) of this section the location of such 3647  
office as it may desire to designate for the purpose of notice. 3648

In a policy providing a loss of time benefit which may be 3649  
payable for at least two years, an insurer may insert, between 3650  
the first and second sentences of the policy provision in 3651  
division (E) of this section, a provision as follows: 3652

Subject to the qualifications set forth below, if the 3653  
insured suffers loss of time on account of disability for which 3654  
indemnity may be payable for at least two years, ~~he~~ the insured 3655  
shall, at least once in every six months after having given 3656  
notice of claim, give to the insurer notice of continuance of 3657  
said disability, except in the event of legal incapacity. The 3658  
period of six months following any filing of proof by the 3659  
insured or any payment by the insurer on account of such claim 3660  
or any denial of liability in whole or in part by the insurer 3661

shall be excluded in applying this provision. Delay in giving of 3662  
such notice shall not impair the insured's right to any 3663  
indemnity which would otherwise have accrued during the period 3664  
of six months preceding the date on which such notice is 3665  
actually given. 3666

(F) A provision as follows: Claim forms. The insurer, upon 3667  
receipt of a notice of claim, will furnish to the claimant such 3668  
forms as are usually furnished by it for filing proofs of loss. 3669  
If such forms are not furnished within fifteen days after the 3670  
giving of such notice the claimant shall be deemed to have 3671  
complied with the requirements of this policy as to proof of 3672  
loss upon submitting, within the time fixed in this policy for 3673  
filing proofs of loss, written proof covering the occurrence, 3674  
the character and the extent of the loss for which claim is 3675  
made. 3676

(G) A provision as follows: Proofs of loss. Written proof 3677  
of loss must be furnished to the insurer at its office in case 3678  
of claim for loss for which this policy provides any periodic 3679  
payment contingent upon continuing loss within ninety days after 3680  
the termination of the period for which the insurer is liable 3681  
and in case of claim for any other loss within ninety days after 3682  
the date of such loss. Failure to furnish such proof within the 3683  
time required shall not invalidate nor reduce any claim if it 3684  
was not reasonably possible to give proof within such time, 3685  
provided such proof is furnished as soon as reasonably possible 3686  
and in no event, except in the absence of legal capacity, later 3687  
than one year from the time proof is otherwise required. 3688

(H) A provision as follows: Time of payment of claims. 3689  
Indemnities payable under this policy for any loss, other than 3690  
loss for which this policy provides any periodic payment, will 3691

be paid immediately upon, or within thirty days after, receipt 3692  
of due written proof of such loss. Subject to due written proof 3693  
of loss, all accrued indemnities for loss for which this policy 3694  
provides periodic payment will be paid \_\_\_\_\_ and any balance 3695  
remaining unpaid upon the termination of liability will be paid 3696  
immediately upon receipt of due written proof. 3697

The insurer shall insert in the blank space in the 3698  
provision in division (H) of this section a period for payment 3699  
which must not be less frequently than monthly. The insurer may 3700  
at its option omit from the provision in division (H) of this 3701  
section ", or within thirty days after,". 3702

(I) A provision as follows: Payment of claims. Indemnity 3703  
for loss of life will be payable in accordance with the 3704  
beneficiary designation and the provisions respecting such 3705  
payment which may be prescribed herein and effective at the time 3706  
of payment. If no such designation or provision is then 3707  
effective, such indemnity shall be payable to the estate of the 3708  
insured. Any other accrued indemnities unpaid at the insured's 3709  
death may, at the option of the insurer, be paid either to such 3710  
beneficiary or to such estate. All other indemnities will be 3711  
payable to the insured. 3712

The insurer may at its option add at the end of the 3713  
provision in division (I) of this section, the following 3714  
provisions or either of the following provisions: 3715

(1) If any indemnity of this policy shall be payable to 3716  
the estate of the insured, or to an insured or beneficiary who 3717  
is a minor or otherwise not competent to give a valid release, 3718  
the insurer may pay such indemnity, up to an amount not 3719  
exceeding \_\_\_\_\_ dollars, to any relative by blood or 3720  
connection by marriage of the insured or beneficiary who is 3721

deemed by the insurer to be equitably entitled thereto. Any 3722  
payment made by the insurer in good faith pursuant to this 3723  
provision shall fully discharge the insurer to the extent of 3724  
such payment. 3725

(2) Subject to any written direction of the insured in the 3726  
application or otherwise all or a portion of any indemnities 3727  
provided by this policy on account of hospital, nursing, 3728  
medical, or surgical services may, at the insurer's option and 3729  
unless the insured requests otherwise in writing not later than 3730  
the time of filing proofs of such loss, be paid directly to the 3731  
hospital or person rendering such services; but it is not 3732  
required that the services be rendered by a particular hospital 3733  
or person. 3734

The insurer shall insert in the blank space in the policy 3735  
provision in division I(1) of this section an amount which 3736  
shall not exceed one thousand dollars. 3737

(J) A provision as follows: Physical examination and 3738  
autopsy. The insurer at its own expense shall have the right and 3739  
opportunity to examine the person of the insured when and as 3740  
often as it may reasonably require during the pendency of a 3741  
claim hereunder and to make an autopsy in case of death where it 3742  
is not forbidden by law. 3743

(K) A provision as follows: Legal actions. No action at 3744  
law or in equity shall be brought to recover on this policy 3745  
prior to the expiration of sixty days after written proof of 3746  
loss has been furnished in accordance with the requirements of 3747  
this policy. No such action shall be brought after the 3748  
expiration of three years after the time written proof of loss 3749  
is required to be furnished. 3750

(L) A provision as follows: Change of beneficiary. Unless 3751  
the insured makes an irrevocable designation of beneficiary, the 3752  
right to change of beneficiary is reserved to the insured and 3753  
the consent of the beneficiary or beneficiaries shall not be 3754  
requisite to surrender or assignment of this policy or to any 3755  
change of beneficiary or beneficiaries, or to any other changes 3756  
in this policy. 3757

The insurer may at its option omit from the provision in 3758  
division (L) of this section the following: Unless the insured 3759  
makes an irrevocable designation of beneficiary. 3760

(M) A provision, which shall be contained in the policy or 3761  
in an indorsement thereon or in a rider attached thereto, as 3762  
follows: Cancellation by the insured. Non-cancellation by the 3763  
insurer. The insured may cancel this policy at any time by 3764  
written notice delivered or mailed to the insurer, effective 3765  
upon receipt or on such later date as may be specified in such 3766  
notice. In the event of cancellation, the insurer will return 3767  
promptly the unearned portion of any premium paid. The earned 3768  
premium shall be computed by the use of the short-rate table 3769  
last filed with the state official having supervision of 3770  
insurance in the state where the insured resided when this 3771  
policy was issued. Cancellation shall be without prejudice to 3772  
any claim originating prior to the effective date of 3773  
cancellation. The insurer may not cancel this policy. This 3774  
provision nullifies any other provision, contained in this 3775  
policy or in any indorsement hereon or in any rider attached 3776  
hereto, which provides for cancellation of this policy by the 3777  
insurer or by the insured. 3778

**Sec. 3923.53.** (A) Every public employee benefit plan that 3779  
is established or modified in this state shall provide benefits 3780

for the expenses of both of the following:	3781
(1) Screening mammography to detect the presence of breast cancer in adult women;	3782 3783
(2) Cytologic screening for the presence of cervical cancer.	3784 3785
(B) The benefits provided under division (A) (1) of this section shall cover expenses in accordance with all of the following:	3786 3787 3788
(1) If a woman is at least thirty-five years of age but under forty years of age, one screening mammography;	3789 3790
(2) If a woman is at least forty years of age but under fifty years of age, either of the following:	3791 3792
(a) One screening mammography every two years;	3793
(b) If a licensed physician has determined that the woman has risk factors to breast cancer, one screening mammography every year.	3794 3795 3796
(3) If a woman is at least fifty years of age but under sixty-five years of age, one screening mammography every year.	3797 3798
(C) As used in this division, "medicare reimbursement rate" means the reimbursement rate paid in this state under the medicare program for screening mammography that does not include digitization or computer-aided detection, regardless of whether the actual benefit includes digitization or computer-aided detection.	3799 3800 3801 3802 3803 3804
(1) Subject to divisions (C) (2) and (3) of this section, if a provider, hospital, or other health care facility provides a service that is a component of the screening mammography	3805 3806 3807

benefit in division ~~(B)~~(A)(1) of this section and submits a 3808  
separate claim for that component, a separate payment shall be 3809  
made to the provider, hospital, or other health care facility in 3810  
an amount that corresponds to the ratio paid by medicare in this 3811  
state for that component. 3812

(2) Regardless of whether separate payments are made for 3813  
the benefit provided under division (A)(1) of this section, the 3814  
total benefit for a screening mammography shall not exceed one 3815  
hundred thirty per cent of the medicare reimbursement rate in 3816  
this state for screening mammography. If there is more than one 3817  
medicare reimbursement rate in this state for screening 3818  
mammography or a component of a screening mammography, the 3819  
reimbursement limit shall be one hundred thirty per cent of the 3820  
lowest medicare reimbursement rate in this state. 3821

(3) The benefit paid in accordance with division (C)(1) of 3822  
this section shall constitute full payment. No provider, 3823  
hospital, or other health care facility shall seek or receive 3824  
compensation in excess of the payment made in accordance with 3825  
division (C)(1) of this section, except for approved deductibles 3826  
and copayments. 3827

(D) The benefits provided under division (A)(1) of this 3828  
section shall be provided only for screening mammographies that 3829  
are performed in a facility or mobile mammography screening unit 3830  
that is accredited under the American college of radiology 3831  
mammography accreditation program or in a hospital as defined in 3832  
section 3727.01 of the Revised Code. 3833

(E) The benefits provided under division (A)(2) of this 3834  
section shall be provided only for cytologic screenings that are 3835  
processed and interpreted in a laboratory certified by the 3836  
college of American pathologists or in a hospital as defined in 3837

section 3727.01 of the Revised Code. 3838

**Sec. 3925.09.** No insurance company shall own more than one 3839  
fourth of the capital stock of a national bank, nor invest in or 3840  
loan on the stocks and bonds, both included, of any railroad 3841  
company, to an extent exceeding one fifth of its own capital and 3842  
surplus, nor in the aggregate shall the investment in and loan 3843  
on all railroad property exceed one fourth of its own capital 3844  
and surplus. Not more than one half of its capital and surplus 3845  
shall be loaned on mortgages of real estate, as provided in 3846  
~~sections~~ section 3925.05 of the Revised Code for the investment 3847  
thereof, and not more than one tenth of the capital and surplus 3848  
actually existing of such a company shall be invested in a 3849  
single mortgage. The current market value of the evidences of 3850  
indebtedness mentioned in this section, in which the 3851  
accumulations or surplus money above the capital stock of an 3852  
insurance company may be loaned or invested, must be at all 3853  
times during the continuance of the loans at least twenty per 3854  
cent more than the sum loaned thereon. 3855

**Sec. 3927.08.** Every insurance company other than a life 3856  
insurance company, organized by act of congress or under the 3857  
laws of another state or government, annually, at the time and 3858  
in the form and manner required of similar companies organized 3859  
under the laws of this state, shall file a statement of its 3860  
condition and affairs in the office of the superintendent of 3861  
insurance. A company organized under or incorporated by a 3862  
foreign government shall also furnish a supplementary statement 3863  
for the year ending on the preceding thirty-first day of 3864  
December, verified by the oath of the manager of such company 3865  
residing in the United States, which shall comprise a report of 3866  
its business and affairs in the United States, as required from 3867  
companies organized in this state, together with any other 3868

information that may be required by the superintendent. If such 3869  
annual statement is satisfactory evidence to the superintendent 3870  
of the solvency and ability of the company to meet all its 3871  
engagements at maturity, and that the deposit is maintained as 3872  
provided by section 3927.06 of the Revised Code, the 3873  
superintendent shall issue, during the month of January in each 3874  
year or within sixty days thereafter, renewal certificates of 3875  
authority to the ~~agent~~ agents of the company, certified copies 3876  
of which shall be filed in the county recorder's office of each 3877  
county in which an agency is located and retained therewith for 3878  
a minimum of two years from the date of filing. Such 3879  
certificates shall be the authority for such agents to issue new 3880  
policies in this state for the ensuing year. 3881

**Sec. 3929.04.** In case of the death of any employee by 3882  
reason of the wrongful or negligent acts of ~~his~~ the employee's 3883  
employer, or negligence or wrongful acts for which said employer 3884  
is liable, the personal representative of the deceased employee 3885  
has all the rights and remedies that the employee would have had 3886  
under ~~section~~ section 3929.03 of the Revised Code had death not 3887  
resulted. 3888

**Sec. 3930.10.** There shall be no liability imposed on the 3889  
part of and no cause of action of any nature arises against the 3890  
Ohio commercial insurance joint underwriting association, its 3891  
members, board of governors, agents, or employees, an insurer or 3892  
its employees, any licensed agent or broker, or the 3893  
superintendent of insurance ~~of his~~ or the superintendent's 3894  
authorized representatives, their members or employees, for any 3895  
action taken by them in the performance of their powers and 3896  
duties under sections 3930.03 to 3930.17 of the Revised Code. 3897  
Any reports and communications in connection therewith are not 3898  
public records. 3899

**Sec. 3931.03.** The attorney under section 3931.01 of the Revised Code shall file with the superintendent of insurance a declaration, verified by ~~his~~ the attorney's oath, or, when the attorney is a corporation, by the oath of its authorized officers, setting forth:

(A) The name of the attorney and the name or designation under which such contracts are issued, which name or designation shall not be so similar to any other name or designation previously adopted by an attorney, or by any insurance organization in the United States, prior to the adoption of such name or designation by the attorney, as to confuse or deceive, unless such other attorney or organization consents thereto in writing;

(B) The location of the principal office;

(C) The kind of insurance to be effected;

(D) A copy of each form of policy, contract, or agreement under or by which such insurance is to be effected;

(E) A copy of the form of power of attorney under which such insurance is to be effected;

(F) The fact that applications have been made for indemnity upon at least seventy-five separate risks, aggregating not less than one and one-half million dollars, represented by executed contracts or bona fide applications to become concurrently effective;

(G) The fact that there is in the ~~possession~~ possession of such attorney net assets of not less than three hundred thousand dollars, available for the payment of losses;

(H) A financial statement in the form prescribed for the

annual statement; 3928

(I) The instrument authorizing service of process as 3929  
provided for in section 3931.04 of the Revised Code; 3930

(J) A certificate showing compliance with the deposit 3931  
requirements, if any, applicable to a mutual insurance company 3932  
authorized to do the kind or kinds of insurance to be effected; 3933

(K) A copy of all bylaws, codes of regulations, any other 3934  
document wherein the relationships between the subscribers and 3935  
between the subscribers and the attorney are set forth, and any 3936  
amendments to any of the foregoing. Any filing made pursuant to 3937  
this division shall become effective thirty days from the date 3938  
of filing, unless disapproved by the superintendent. Any action 3939  
taken by the superintendent under this division may be appealed 3940  
pursuant to Chapter 119. of the ~~Revised~~ Revised Code. 3941

This division does not apply to filings required pursuant 3942  
to Chapters 3935. and 3937. of the Revised Code. 3943

**Sec. 3931.99.** ~~(A)~~ Whoever violates sections 3931.01 to 3944  
3931.12, inclusive, of the Revised Code, or fails to comply with 3945  
any duty imposed upon him by such sections, for which violation 3946  
or failure no penalty is otherwise provided by law, shall be 3947  
fined not more than five hundred dollars. 3948

**Sec. 3941.46.** Any foreign or alien mutual company licensed 3949  
in this state which is a party to a merger or consolidation 3950  
shall on or before the effective date thereof file with the 3951  
superintendent a copy of the agreement. If the surviving company 3952  
is, at the effective date of the merger or consolidation, 3953  
licensed as an insurer in this state its license shall continue 3954  
in effect as though no merger or consolidation had taken place, 3955  
and on request the superintendent shall transfer to it any 3956

additional licenses issued by this state and then held by any 3957  
nonsurviving insurer which is a party to the merger or 3958  
consolidation. Revocation or suspension of any of such licenses 3959  
shall be made only pursuant to the procedures and on the grounds 3960  
provided in this code, provided, that an additional ground for 3961  
revocation or suspension of license shall be that the merger or 3962  
consolidation may ~~save~~ have the effect of substantially 3963  
lessening competition or tending to create a monopoly as to any 3964  
line of insurance in this state. On receipt of a copy of the 3965  
agreement of merger or consolidation to which this section 3966  
applies, the superintendent shall determine whether such 3967  
revocation or suspension proceedings should be commenced. In 3968  
making such determination the superintendent may consider any 3969  
information on file with any agency, division or department of 3970  
this or any other state, together with any additional relevant 3971  
information which shall be furnished by the company or 3972  
companies, pursuant to ~~his~~ the superintendent's request. A 3973  
determination that the merger or consolidation does not violate 3974  
the additional ground provided in this section shall be 3975  
conclusively established by the lapse of three months after the 3976  
effective date of the merger or consolidation without 3977  
commencement of proceedings to revoke or suspend the license or 3978  
licenses on that ground. 3979

**Sec. 3951.04.** The superintendent of insurance shall issue 3980  
certificates of authority to any person, firm, association, 3981  
partnership, or corporation making application therefor who is 3982  
trustworthy and competent to act as a public insurance adjuster 3983  
in such manner as to safeguard the interest of the public and 3984  
who ~~have~~ has complied with the prerequisites herein described. 3985  
A certificate of authority issued to a firm, association, 3986  
partnership, or corporation shall authorize only the members of 3987

the firm, association, or partnership or the officers and 3988  
directors of the corporation, specified in the certificate of 3989  
authority to act as a public insurance adjuster. 3990

The superintendent shall not issue any certificate of 3991  
authority to any applicant who is convicted of a felony, or any 3992  
crime or offense involving fraudulent or dishonest practice or 3993  
who, within three years preceding the date of filing such 3994  
application, has been guilty of any practice which would be 3995  
grounds for suspension or revocation of a certificate of 3996  
authority as a public insurance adjuster. 3997

**Sec. 3951.06.** (A) A fee of one hundred dollars shall be 3998  
paid to the superintendent by the applicant for a public 3999  
insurance adjuster's certificate of authority before the initial 4000  
application is granted. If the applicant is a firm, association, 4001  
partnership, or corporation, the fee shall be paid for each 4002  
person specified in the application. 4003

(B) A firm, association, partnership, or corporation to 4004  
which a certificate of authority has been issued by the 4005  
superintendent may at any time make an application to the 4006  
superintendent for the issuance of a supplemental certificate of 4007  
authority authorizing additional officers or directors of the 4008  
corporation or members of the firm, association, or partnership 4009  
to act as a public insurance adjuster, and the superintendent 4010  
may thereupon issue to such firm, association, partnership, or 4011  
corporation a supplemental certificate accordingly upon the 4012  
payment of a fee of fifty dollars for each member or officer or 4013  
director thereby authorized to act as a public insurance 4014  
adjuster. 4015

(C) Every public insurance adjuster's certificate of 4016  
authority shall expire on the thirty-first day of December of 4017

the calendar year in which it was issued, and shall be renewed 4018  
according to the standard renewal procedure of sections 4745.01 4019  
to 4745.03, ~~inclusive~~, of the Revised Code. Every public 4020  
insurance adjuster's certificate of authority with a payment of 4021  
a fifty-dollar fee can be renewed for the ensuing year without 4022  
examination, but if an application for the renewal of such 4023  
certificate has been filed with the superintendent before 4024  
January first of any year the certificate of authority sought to 4025  
be renewed shall continue in full force and effect until the 4026  
issuance by the superintendent of the new certificate applied 4027  
for or until five days after the superintendent has refused to 4028  
issue a new certificate and has served notice of such refusal on 4029  
the applicant therefor. Service of such notice shall be made by 4030  
registered or certified mail directed to the applicant at the 4031  
place of business specified in the application. 4032

(D) No certificate of authority shall be issued or renewed 4033  
unless, the applicant is a resident of the state, a lending 4034  
institution, ~~or~~ a bona fide employee of a lending institution 4035  
who is authorized to act as a public insurance adjuster in 4036  
another state on behalf of the lending institution, or a 4037  
nonresident that is licensed as a public insurance adjuster and 4038  
is in good standing in the applicant's home state, and there is 4039  
on file with the superintendent a bond, executed by such 4040  
applicant and by approved sureties, in the penal sum of one 4041  
thousand dollars for each person designated in the application, 4042  
conditioned for the faithful performance by such applicant and 4043  
by all persons designated in such application, of their duties 4044  
as public insurance adjusters. Such bond shall be approved as to 4045  
form by the attorney general and as to sufficiency by the 4046  
superintendent. Such bond shall be made payable to the state and 4047  
shall specifically authorize recovery for and on behalf of an 4048

injured party of the sum provided therein in case the adjuster 4049  
has been guilty of fraudulent or dishonest practices in 4050  
connection with the transaction of business as an adjuster. 4051

**Sec. 3951.10.** On receipt of a notice pursuant to section 4052  
3123.43 of the Revised Code, the superintendent of insurance 4053  
shall comply with sections 3123.41 to 3123.50 of the Revised 4054  
Code and any applicable rules adopted under section 3123.63 of 4055  
the Revised Code with respect to a certificate issued ~~issued~~ 4056  
pursuant to this chapter. 4057

**Sec. 3953.14.** (A) Except as provided in Chapter 3953. of 4058  
the Revised Code the investments of a title insurance company 4059  
shall be governed by sections 3925.05 to 3925.21, ~~inclusive,~~ of 4060  
the Revised Code. 4061

(B) Provided it shall at all times keep at least one 4062  
hundred thousand dollars invested in the classes of securities 4063  
authorized for the investment of capital other than title plant 4064  
and real estate as provided in division (C) of this section, a 4065  
title insurance company may invest not more than ten per cent of 4066  
its admitted assets in a title plant without the prior approval 4067  
of the superintendent. The title plant shall be considered an 4068  
admitted asset at the fair value thereof. In determining the 4069  
fair value of a title plant, no value shall be attributed to 4070  
furniture and fixtures, and the real estate in which the title 4071  
plant is housed shall be carried as real estate. The value of 4072  
title abstracts, title briefs, copies of conveyances or other 4073  
documents, indices, and other records comprising the title 4074  
plant, shall be determined by considering the expenses incurred 4075  
in obtaining them, the age thereof, the cost of replacements 4076  
less depreciation, and all other relevant factors. Once the 4077  
value of a title plant has been determined, such value may be 4078

increased only by the acquisition of another title plant by 4079  
purchase, consolidation, or merger; in no event shall the value 4080  
of the title—~~plan~~ plant be increased by additions made thereto 4081  
as part of the normal course of abstracting and insuring titles 4082  
to real estate. Subject to the above limitations and with the 4083  
approval of the superintendent of insurance, a title insurance 4084  
company may enter into agreements with one or more other title 4085  
insurance companies authorized to do business in this state, 4086  
whereby such companies shall participate in the ownership, 4087  
management, and control of a title plant to service the needs of 4088  
all such companies or such companies may hold stock of a 4089  
corporation owning and operating a title plant for such 4090  
purposes; provided that each of the companies participating in 4091  
the ownership, management, and control of such jointly owned 4092  
title plant shall keep the sum of one hundred thousand dollars 4093  
invested as above set forth. 4094

(C) Any title insurance company may purchase, receive, 4095  
hold, and convey real estate or any interest therein: 4096

(1) Required for its convenient accommodation in the 4097  
transaction of its business with reasonable regard to future 4098  
needs; 4099

(2) Acquired in connection with a claim under a policy of 4100  
title insurance; 4101

(3) Acquired in satisfaction or on account of loans, 4102  
mortgages, liens, judgments, or decrees, previously owing to it 4103  
in the course of its business; 4104

(4) Acquired in part payment of the consideration of the 4105  
sale of real property owned by it if the transaction results in 4106  
a net reduction in the company's investment in real estate; 4107

(5) Reasonably necessary for the purpose of maintaining or 4108  
enhancing the sale value of real property previously acquired or 4109  
held by it under ~~subdivisions~~ division (C) (1), (2), (3), or (4) 4110  
of this ~~division~~ section. 4111

**Sec. 3956.01.** As used in this chapter: 4112

(A) "Account" means either of the two accounts created 4113  
under section 3956.06 of the Revised Code. 4114

(B) "Contractual obligation" means any obligation under a 4115  
policy, contract, or certificate under a group policy or 4116  
contract, or portion of the policy or contract, for which 4117  
coverage is provided under section 3956.04 of the Revised Code. 4118

(C) "Covered policy or contract" means any policy, 4119  
contract, or group certificate within the scope of section 4120  
3956.04 of the Revised Code. 4121

(D) "Impaired insurer" means a member insurer that, after 4122  
November 20, 1989, is not an insolvent insurer and is placed 4123  
under an order of rehabilitation or conservation by a court of 4124  
competent jurisdiction. 4125

(E) "Insolvent insurer" means a member insurer that, after 4126  
November 20, 1989, is placed under an order of liquidation by a 4127  
court of competent jurisdiction with a finding of insolvency. 4128

(F) (1) "Member insurer" means any insurer that holds a 4129  
certificate of authority or is licensed to transact in this 4130  
state any kind of insurance for which coverage is provided under 4131  
section 3956.04 of the Revised Code, and includes any insurer 4132  
whose certificate of authority or license in this state may have 4133  
been suspended, revoked, not renewed, or voluntarily withdrawn 4134  
after November 20, 1989. 4135

(2) "Member insurer" does not include any of the	4136
following:	4137
(a) A health insuring corporation;	4138
(b) A fraternal benefit society;	4139
(c) A self-insurance or joint self-insurance pool or plan	4140
of the state or any political subdivision of the state;	4141
(d) A mutual protective association;	4142
(e) An insurance exchange;	4143
(f) Any person who qualifies as a "member insurer" under	4144
section 3955.01 of the Revised Code and who does not receive	4145
premiums on covered policies or contracts;	4146
(g) Any entity similar to any of those described in	4147
divisions (F) (2) (a) to (f) of this section.	4148
(3) "Member insurer" includes any insurer that operates	4149
any of the entities described in division (F) (2) of this section	4150
as a line of business, and not as a separate, affiliated legal	4151
entity, and otherwise qualifies as a member insurer.	4152
(G) "Premiums" means amounts received on covered policies	4153
or contracts, less premiums, considerations, and deposits	4154
returned on the policies or contracts, and less dividends and	4155
experience credits on the policies and contracts. "Premiums"	4156
does not include either of the following:	4157
(1) Any amounts in excess of one million dollars received	4158
on any unallocated annuity contract not issued under a	4159
governmental retirement plan established under Section 401,	4160
403(b), or 457 of the "Internal Revenue Code of 1986," 100 Stat.	4161
2085, 26 U.S.C.A. 1, as amended;	4162

(2) Any amounts received for any policies or contracts or 4163  
for the portions of any policies or contracts for which coverage 4164  
is not provided under section 3956.04 of the Revised Code. 4165  
Division (G) (2) of this section shall not be construed to 4166  
require the exclusion, from assessable premiums, of premiums 4167  
paid for coverages in excess of the interest limitations 4168  
specified in division (B) (2) (c) of section 3956.04 of the 4169  
Revised Code or of premiums paid for coverages in excess of the 4170  
limitations with respect to any one individual, any one 4171  
participant, or any one contract holder specified in division 4172  
(C) (2) of section 3956.04 of the Revised Code. 4173

(H) "Resident" means any person who resides in this state 4174  
at the time a member insurer is determined to be an impaired or 4175  
insolvent insurer and to whom a contractual obligation is owed. 4176  
A person may be a resident of only one state, which, in the case 4177  
of a person other than a natural person, shall be its principal 4178  
place of business. Citizens of the United States who are either 4179  
residents of a foreign country or residents of a United States 4180  
possession, territory, or protectorate that does not have an 4181  
association similar to the association created by this chapter 4182  
shall be considered residents of the state of domicile of the 4183  
insurer that issued the policy or contract. 4184

(I) "Structured settlement annuity" means an annuity 4185  
purchased in order to fund periodic payments for a plaintiff or 4186  
other claimant in payment for or with respect to personal injury 4187  
suffered by the plaintiff or other claimant. 4188

(J) "Subaccount" means any of the three subaccounts 4189  
created under division (A) of section 3956.06 of the Revised 4190  
Code. 4191

(K) "Supplemental contract" means any agreement entered 4192

into for the distribution of policy or contract proceeds. 4193

~~(K)~~(L) "Unallocated annuity contract" means any annuity 4194  
contract or group annuity certificate that is not issued to and 4195  
owned by an individual, except to the extent of any annuity 4196  
benefits guaranteed to an individual by an insurer under that 4197  
contract or certificate. 4198

**Sec. 3959.01. As used in this chapter:** 4199

(A) "Administration fees" means any amount charged a 4200  
covered person for services rendered. "Administration fees" 4201  
includes commissions earned or paid by any person relative to 4202  
services performed by an administrator. 4203

(B) "Administrator" means any person who adjusts or 4204  
settles claims on, residents of this state in connection with 4205  
life, dental, health, prescription drugs, or disability 4206  
insurance or self-insurance programs. "Administrator" includes a 4207  
pharmacy benefit manager. "Administrator" does not include any 4208  
of the following: 4209

(1) An insurance agent or solicitor licensed in this state 4210  
whose activities are limited exclusively to the sale of 4211  
insurance and who does not provide any administrative services; 4212

(2) Any person who administers or operates the workers' 4213  
compensation program of a self-insuring employer under Chapter 4214  
4123. of the Revised Code; 4215

(3) Any person who administers pension plans for the 4216  
benefit of the person's own members or employees or administers 4217  
pension plans for the benefit of the members or employees of any 4218  
other person; 4219

(4) Any person that administers an insured plan or a self- 4220

insured plan that provides life, dental, health, or disability 4221  
benefits exclusively for the person's own members or employees; 4222

(5) Any health insuring corporation holding a certificate 4223  
of authority under Chapter 1751. of the Revised Code or an 4224  
insurance company that is authorized to write life or sickness 4225  
and accident insurance in this state. 4226

(C) "Aggregate excess insurance" means that type of 4227  
coverage whereby the insurer agrees to reimburse the insured 4228  
employer or trust for all benefits or claims paid during an 4229  
agreement period on behalf of all covered persons under the plan 4230  
or trust which exceed a stated deductible amount and subject to 4231  
a stated maximum. 4232

(D) "Contracted pharmacy" or "pharmacy" means a pharmacy 4233  
located in this state participating in either the network of a 4234  
pharmacy benefit manager or in a health care or pharmacy benefit 4235  
plan through a direct contract or through a contract with a 4236  
pharmacy services administration organization, group purchasing 4237  
organization, or another contracting agent. 4238

(E) "Contributions" means any amount collected from a 4239  
covered person to fund the self-insured portion of any plan in 4240  
accordance with the plan's provisions, summary plan 4241  
descriptions, and contracts of insurance. 4242

(F) "Drug product reimbursement" means the amount paid by 4243  
a pharmacy benefit manager to a contracted pharmacy for the cost 4244  
of the drug dispensed to a patient and does not include a 4245  
dispensing or professional fee. 4246

(G) "Fiduciary" has the meaning set forth in section 4247  
1002(21)(A) of the "Employee Retirement Income Security Act of 4248  
1974," 88 Stat. 829, 29 U.S.C. 1001, as amended. 4249

(H) "Fiscal year" means the twelve-month accounting period 4250  
commencing on the date the plan is established and ending twelve 4251  
months following that date, and each corresponding twelve-month 4252  
accounting period thereafter as provided for in the summary plan 4253  
description. 4254

(I) "Insurer" means an entity authorized to do the 4255  
business of insurance in this state or, for the purposes of this 4256  
section, a health insuring corporation authorized to issue 4257  
health care plans in this state. 4258

(J) "Managed care organization" means an entity that 4259  
provides medical management and cost containment services and 4260  
includes a medicaid managed care organization, as defined in 4261  
section 5167.01 of the Revised Code. 4262

(K) "Maximum allowable cost" means a maximum drug product 4263  
reimbursement for an individual drug or for a group of 4264  
therapeutically and pharmaceutically equivalent multiple source 4265  
drugs that are listed in the United States food and drug 4266  
administration's approved drug products with therapeutic 4267  
equivalence evaluations, commonly referred to as the orange 4268  
book. 4269

(L) "Maximum allowable cost list" means a list of the 4270  
drugs for which a pharmacy benefit manager imposes a maximum 4271  
allowable cost. 4272

(M) "Multiple employer welfare arrangement" has the same 4273  
meaning as in section 1739.01 of the Revised Code. 4274

(N) "Pharmacy benefit manager" means an entity that 4275  
contracts with pharmacies on behalf of an employer, a multiple 4276  
employer welfare arrangement, public employee benefit plan, 4277  
state agency, insurer, managed care organization, or other 4278

third-party payer to provide pharmacy health benefit services or 4279  
administration. "Pharmacy benefit manager" includes the state 4280  
pharmacy benefit manager selected under section 5167.24 of the 4281  
Revised Code. 4282

(O) "Plan" means any arrangement in written form for the 4283  
payment of life, dental, health, or disability benefits to 4284  
covered persons defined by the summary plan description and 4285  
includes a drug benefit plan administered by a pharmacy benefit 4286  
manager. 4287

(P) "Plan sponsor" means the person who establishes the 4288  
plan. 4289

(Q) "Self-insurance program" means a program whereby an 4290  
employer provides a plan of benefits for its employees without 4291  
involving an intermediate insurance carrier to assume risk or 4292  
pay claims. "Self-insurance program" includes but is not limited 4293  
to employer programs that pay claims up to a prearranged limit 4294  
beyond which they purchase insurance coverage to protect against 4295  
unpredictable or catastrophic losses. 4296

(R) "Specific excess insurance" means that type of 4297  
coverage whereby the insurer agrees to reimburse the insured 4298  
employer or trust for all benefits or claims paid during an 4299  
agreement period on behalf of a covered person in excess of a 4300  
stated deductible amount and subject to a stated maximum. 4301

(S) "Summary plan description" means the written document 4302  
adopted by the plan sponsor which outlines the plan of benefits, 4303  
conditions, limitations, exclusions, and other pertinent details 4304  
relative to the benefits provided to covered persons thereunder. 4305

(T) "Third-party payer" has the same meaning as in section 4306  
3901.38 of the Revised Code. 4307

**Sec. 3960.07.** (A) No purchasing group shall conduct 4308  
business in this state unless it has done both of the following: 4309

(1) Issued a notice to the superintendent of insurance 4310  
that does all of the following: 4311

(a) Identifies the state in which the purchasing group is 4312  
domiciled and all other states in which the group intends to do 4313  
business; 4314

(b) Specifies the lines and classifications of liability 4315  
insurance that the purchasing group intends to purchase and 4316  
specifies the method by which and the person or persons, if any, 4317  
through whom insurance will be offered to its members whose 4318  
risks are resident or located in this state; 4319

(c) Identifies the name and domicile of the insurance 4320  
company from which the purchasing group intends to purchase its 4321  
insurance; 4322

(d) Identifies the principal place of business of the 4323  
purchasing group; 4324

(e) Provides any other information that the superintendent 4325  
may require to verify that the purchasing group is qualified 4326  
under division (I) of section 3960.01 of the Revised Code. 4327

A purchasing group, within ten days, shall notify the 4328  
superintendent of any changes in any of the items set forth in 4329  
division (A) (1) this section. 4330

(2) Registered with the superintendent, paid a filing fee 4331  
as determined by the superintendent, and consented to the 4332  
exercise of jurisdiction over it by the superintendent and the 4333  
courts of this state. The fee shall be paid into the state 4334  
treasury to the credit of the department of insurance operating 4335

fund pursuant to section 3901.021 of the Revised Code. 4336

Division (A) (2) of this section does not apply to a 4337  
purchasing group to which all of the following apply: 4338

(a) It was domiciled in any state before April 1, 1986, 4339  
and on and after October 27, 1986; 4340

(b) It purchased insurance from an insurance carrier 4341  
licensed in any state before and after October 27, 1986; 4342

(c) It was a purchasing group meeting the requirements of 4343  
the federal "Product Liability Risk Retention Act of 1981," 95 4344  
Stat. 949, 15 U.S.C.A. 3901, before October 27, 1986; 4345

(d) It does not purchase insurance that was not authorized 4346  
for purposes of an exemption under that act, as in effect before 4347  
October 27, 1986. 4348

(B) Each purchasing group that is required to give notice 4349  
pursuant to division (A) (1) of this section also shall furnish 4350  
any information that may be required by the superintendent to do 4351  
both of the following: 4352

(1) Determine where the purchasing group is located; 4353

(2) Determine appropriate tax treatment. 4354

~~(C) Within thirty days after the effective date of this~~ 4355  
~~section, any purchasing group that was doing business in this~~ 4356  
~~state prior to the enactment of this section shall furnish~~ 4357  
~~notice to the superintendent pursuant to division (A) (1) of this~~ 4358  
~~section and furnish any information that may be required~~ 4359  
~~pursuant to division (B) of this section.~~ 4360

~~(D)~~ Sections 3937.01 to 3937.17 of the Revised Code apply 4361  
to admitted insurers that provide insurance to purchasing 4362

groups. 4363

**Sec. 3964.19.** (A) As used in sections 3964.19 to 3964.194 4364  
of the Revised Code: 4365

(1) "Counterparty" means a special purpose financial 4366  
captive insurance company's parent or an affiliated entity that 4367  
is an insurer domiciled in this state that cedes life insurance 4368  
risks to the special purpose financial captive insurance company 4369  
pursuant to a special purpose financial captive insurance 4370  
company contract. 4371

(2) "Insolvency" or "insolvent" means that the special 4372  
purpose financial captive insurance company is unable to pay its 4373  
obligations when they are due, unless those obligations are the 4374  
subject of a bona fide dispute. 4375

(3) "Insurance securitization" means a package of related 4376  
risk transfer instruments, capital market offerings, and 4377  
facilitating administrative agreements, for which a special 4378  
purpose financial captive insurance company obtains proceeds, 4379  
either directly or indirectly, through the issuance of 4380  
securities, where the investment risk to the holders of the 4381  
securities is contingent upon the obligations of the special 4382  
purpose financial captive insurance company to the counterparty 4383  
under the special purpose financial captive insurance company 4384  
contract, in accordance with the transaction terms, and pursuant 4385  
to this section. This includes situations where the 4386  
securitization proceeds are held in trust to secure the 4387  
obligations of the special purpose financial captive insurance 4388  
company under one or more special purpose financial captive 4389  
insurance company contracts. 4390

(4) "Organizational document" means the special purpose 4391

financial captive insurance company's articles of incorporation, 4392  
bylaws, code of regulations, operating agreement, or other 4393  
foundational documents that establish the special purpose 4394  
financial captive insurance company as a legal entity. 4395

(5) "Securities" means debt obligations, equity 4396  
investments, surplus certificates, surplus notes, funding 4397  
agreements, derivatives, and other legal forms of financial 4398  
instruments. 4399

(6) "Special purpose financial captive insurance company 4400  
contract" means a contract between a special purpose financial 4401  
captive insurance company and a counterparty pursuant to which 4402  
the special purpose financial captive insurance company agrees 4403  
to provide insurance or reinsurance protection to the 4404  
counterparty for risks associated with the counterparty's 4405  
insurance or reinsurance business, and includes a contract 4406  
entered into under division (F) of this section. 4407

(7) "Special purpose financial captive insurance company 4408  
securities" means the securities issued by a special purpose 4409  
financial captive insurance company. 4410

(B) The requirements of this section shall not apply to a 4411  
specific special purpose financial captive insurance company if 4412  
the superintendent finds a specific requirement is inappropriate 4413  
due to the nature of the risks to be insured by the special 4414  
purpose financial captive insurance company and if the special 4415  
purpose financial captive insurance company meets the criteria 4416  
established by rules and regulations adopted and promulgated by 4417  
the superintendent. 4418

(C) (1) A special purpose financial captive insurance 4419  
company may not issue a contract for assumption of risk or 4420

indemnification of loss other than a special purpose financial 4421  
captive insurance company contract. However, the special purpose 4422  
financial captive insurance company may cede a risk assumed 4423  
through a special purpose financial captive insurance company 4424  
contract to a third-party reinsurer through the purchase of 4425  
reinsurance or retrocession protection if approved by the 4426  
superintendent. 4427

(2) A special purpose financial captive insurance company 4428  
may enter into contracts and conduct other commercial activities 4429  
related or incidental to and necessary to fulfill the purposes 4430  
of special purpose financial captive insurance company 4431  
contracts, insurance securitization, and this section. Those 4432  
activities may include: 4433

(a) Entering into special purpose financial captive 4434  
insurance company contracts; 4435

(b) Issuing securities of the special purpose financial 4436  
captive insurance company in accordance with applicable 4437  
securities law; 4438

(c) Complying with the terms of special purpose financial 4439  
captive insurance company contracts or securities; 4440

(d) Entering into trust, swap, tax, administration, 4441  
reimbursement, or fiscal agent transactions; 4442

(e) Complying with trust indenture, reinsurance, 4443  
retrocession, and other agreements necessary or incidental to 4444  
effectuate an insurance securitization in compliance with this 4445  
section and in the plan of operation considered by the 4446  
superintendent under division (F) (5) of section 3964.03 of the 4447  
Revised Code. 4448

(D) (1) A special purpose financial captive insurance 4449

company may issue securities, subject to and in accordance with 4450  
applicable law, its plan of operation considered by the 4451  
superintendent under division (E) of section 3964.03 of the 4452  
Revised Code, and its organizational documents. 4453

(2) A special purpose financial captive insurance company, 4454  
in connection with the issuance of securities, may enter into 4455  
and perform all of its obligations under any required contracts 4456  
to facilitate the issuance of these securities. 4457

(3) The obligation to repay principal or interest, or 4458  
both, on the securities issued by the special purpose financial 4459  
captive insurance company shall reflect the risk associated with 4460  
the obligations of the special purpose financial captive 4461  
insurance company to the counterparty under the special purpose 4462  
financial captive insurance company contract. 4463

(E) (1) (a) A special purpose financial captive insurance 4464  
company may enter into ~~asset the following types of transactions~~ 4465  
for the purposes described in division (E) (1) (b) of this 4466  
section: 4467

(i) Asset management agreements, including swap 4468  
agreements, ~~guaranteed;~~ 4469

(ii) Guaranteed investment contracts, ~~or other;~~ 4470

(iii) Other transactions with the objective of reducing 4471  
timing differences in the funding of upfront, or ongoing, 4472  
transaction expenses, or managing asset, credit, prepayment, or 4473  
interest rate risk of the investments of the special purpose 4474  
financial captive insurance company ~~to~~. 4475

(b) The purpose of the transactions described in division 4476  
(E) (1) (a) of this section shall be any of the following: 4477

(i) To ensure that the investments are sufficient to 4478  
assure payment or repayment of the securities, and related 4479  
interest or principal payments, issued pursuant to a special 4480  
purpose financial captive insurance company insurance 4481  
securitization transaction ~~or the;~~ 4482

(ii) To ensure that the investments are sufficient to 4483  
assure payment or repayment of the obligations required under a 4484  
special purpose financial captive insurance company contract ~~or~~ 4485  
~~for any;~~ 4486

(iii) Any other purpose approved by the superintendent. 4487

(2) An asset management agreement shall not be entered 4488  
into under this section by a special purpose financial captive 4489  
insurance company unless it has been approved by the 4490  
superintendent. 4491

(F) (1) If a special purpose financial captive insurance 4492  
company has entered into a special purpose financial captive 4493  
insurance company contract with a counterparty and the special 4494  
purpose financial captive insurance company has conducted an 4495  
insurance securitization that is made up, in part or in whole, 4496  
of the risks of that contract, then the special purpose 4497  
financial captive insurance company may enter into a second 4498  
contract with the counterparty under which the counterparty is 4499  
held liable for those losses or other obligations that were 4500  
securitized. 4501

(2) Such obligations may be funded and secured with assets 4502  
held in trust for the benefit of the counterparty pursuant to 4503  
agreements contemplated by this section and invested in a manner 4504  
that meet the criteria in sections 3907.14 and 3907.141 of the 4505  
Revised Code. 4506

(G) (1) A special purpose financial captive insurance 4507  
company may enter into agreements with affiliated companies and 4508  
third parties and conduct business necessary to fulfill its 4509  
obligations and administrative duties incidental to an insurance 4510  
securitization and a special purpose financial captive insurance 4511  
company contract entered into under division (F) of this 4512  
section. 4513

(2) The agreements may include management and 4514  
administrative services agreements and other allocation and cost 4515  
sharing agreements, or swap and asset management agreements, or 4516  
both, or agreements for other contemplated types of transactions 4517  
provided in this section. 4518

(H) A special purpose financial captive insurance company 4519  
contract entered into under division (F) of this section shall 4520  
contain all of the following: 4521

(1) A requirement that the special purpose financial 4522  
captive insurance company do either of the following: 4523

(a) Enter into a trust agreement specifying what 4524  
recoverables or reserves, or both, the agreement is to cover and 4525  
to establish a trust account for the benefit of the counterparty 4526  
and the security holders; 4527

(b) Establish such other methods of security acceptable to 4528  
the superintendent. 4529

(2) A stipulation that assets deposited in the trust 4530  
account shall be valued in accordance with their current fair- 4531  
market value and shall consist only of investments permitted by 4532  
sections 3907.14 and 3907.141 of the Revised Code; 4533

(3) A requirement that, if a trust arrangement is used, 4534  
the special purpose financial captive insurance company, before 4535

depositing assets with the trustee, execute assignments, execute 4536  
endorsements in blank, or take such actions as are necessary to 4537  
transfer legal title to the trustee of all assets requiring 4538  
assignment, in order that the counterparty, or the trustee upon 4539  
the direction of the counterparty, may negotiate whenever 4540  
necessary the assets without consent or signature from the 4541  
special purpose financial captive insurance company or another 4542  
entity; 4543

(4) A stipulation that, if a trust arrangement is used, 4544  
the special purpose financial captive insurance company and the 4545  
counterparty agree that the assets in the trust account 4546  
established pursuant to the contract: 4547

(a) May be withdrawn by the counterparty, or the trustee 4548  
on its behalf, at any time, but only in accordance with the 4549  
terms of the contract; 4550

(b) Shall be utilized and applied by the counterparty, 4551  
without diminution because of insolvency on the part of the 4552  
counterparty or the special purpose financial captive insurance 4553  
company, only for the purposes set forth in the credit for 4554  
reinsurance laws and rules of this state. As used in this 4555  
division, "counterparty" includes any successor of the 4556  
counterparty by operation of law, including, subject to the 4557  
provisions of this section, but without further limitation, any 4558  
liquidator, rehabilitator, or receiver of the counterparty. 4559

(I) A special purpose financial captive insurance company 4560  
contract entered into under division (F) of this section may 4561  
contain provisions that give the special purpose financial 4562  
captive insurance company the right to seek approval from the 4563  
counterparty to withdraw from the trust all or part of the 4564  
assets, or income from them, contained in the trust and to 4565

transfer the assets to the special purpose financial captive insurance company if such provisions comply with the credit for reinsurance laws and rules of this state.

(J) (1) A special purpose financial captive insurance company contract entered into under division (F) of this section, meeting the requirements of this section, shall be granted credit for reinsurance treatment or otherwise qualify as an asset or a reduction from liability for reinsurance ceded by a domestic insurer to a special purpose financial captive insurance company as an assuming insurer for the benefit of the counterparty if both of the following apply:

(a) The assets are held or invested in one or more of the forms allowed in sections 3907.14 and 3907.141 of the Revised Code.

(b) The agreement is in compliance with section 3901.64 of the Revised Code.

(2) The contract shall be granted credit or otherwise qualify as an asset or reduction from liability only to the extent of the value of the assets held in trust for, or letters of credit, that meet the requirements set forth in division (C) of section 3964.05 of the Revised Code, or as approved by the superintendent, for the benefit of the counterparty under the special purpose financial captive insurance company contract.

(K) A special purpose financial captive insurance company may make investments that meet the qualifications set forth in sections 3907.14 and 3907.141 of the Revised Code, however these investments shall not be subject to any limitations contained in such sections as to invested amounts. The superintendent may prohibit or limit any investment that threatens the solvency or

liquidity of a special purpose financial captive insurance 4595  
company or that is not made in accordance with the approved plan 4596  
of operation. 4597

**Sec. 3999.16.** No officer, director, trustee, agent, or 4598  
employee of any insurance company, corporation, or association 4599  
authorized to transact business in this state shall knowingly 4600  
use underwriting standards or rates that result in unfair 4601  
discrimination against any handicapped person. This section does 4602  
not prevent reasonable classifications of handicapped ~~person~~ 4603  
persons for determining insurance rates. 4604

As used in this section, "handicapped" means a medically 4605  
diagnosable, abnormal condition which is expected to continue 4606  
for a considerable length of time, whether correctable or 4607  
uncorrectable by good medical practice, which can reasonably be 4608  
expected to limit the person's functional ability, including but 4609  
not limited to seeing, hearing, thinking, ambulating, climbing, 4610  
descending, lifting, grasping, sitting, rising, any related 4611  
function, or any limitation due to weakness or significantly 4612  
decreased endurance, so that ~~he~~ the person cannot perform ~~his~~ 4613  
the person's everyday routine living and working without 4614  
significantly increased hardship and vulnerability to what are 4615  
considered the everyday obstacles and hazards encountered by the 4616  
nonhandicapped. 4617

**Sec. 4505.11.** This section shall also apply to all-purpose 4618  
vehicles and off-highway motorcycles as defined in section 4619  
4519.01 of the Revised Code. 4620

(A) Each owner of a motor vehicle and each person 4621  
mentioned as owner in the last certificate of title, when the 4622  
motor vehicle is dismantled, destroyed, or changed in such 4623  
manner that it loses its character as a motor vehicle, or 4624

changed in such manner that it is not the motor vehicle 4625  
described in the certificate of title, shall surrender the 4626  
certificate of title to that motor vehicle to a clerk of a court 4627  
of common pleas, and the clerk, with the consent of any holders 4628  
of any liens noted on the certificate of title, then shall enter 4629  
a cancellation upon the clerk's records and shall notify the 4630  
registrar of motor vehicles of the cancellation. 4631

Upon the cancellation of a certificate of title in the 4632  
manner prescribed by this section, any clerk and the registrar 4633  
of motor vehicles may cancel and destroy all certificates and 4634  
all memorandum certificates in that chain of title. 4635

(B) (1) If an Ohio certificate of title or salvage 4636  
certificate of title to a motor vehicle is assigned to a salvage 4637  
dealer, the dealer is not required to obtain an Ohio certificate 4638  
of title or a salvage certificate of title to the motor vehicle 4639  
in the dealer's own name if the dealer dismantles or destroys 4640  
the motor vehicle, indicates the number of the dealer's motor 4641  
vehicle salvage dealer's license on it, marks "FOR DESTRUCTION" 4642  
across the face of the certificate of title or salvage 4643  
certificate of title, and surrenders the certificate of title or 4644  
salvage certificate of title to a clerk of a court of common 4645  
pleas as provided in division (A) of this section. If the 4646  
salvage dealer retains the motor vehicle for resale, the dealer 4647  
shall make application for a salvage certificate of title to the 4648  
motor vehicle in the dealer's own name as provided in division 4649  
(C) (1) of this section. 4650

(2) At the time any salvage motor vehicle is sold at 4651  
auction or through a pool, the salvage motor vehicle auction or 4652  
salvage motor vehicle pool shall give a copy of the salvage 4653  
certificate of title or a copy of the certificate of title 4654

marked "FOR DESTRUCTION" to the purchaser. 4655

(C) (1) When an insurance company declares it economically 4656  
impractical to repair such a motor vehicle and has paid an 4657  
agreed price for the purchase of the motor vehicle to any 4658  
insured or claimant owner, the insurance company shall proceed 4659  
as follows: 4660

(a) If an insurance company receives the certificate of 4661  
title and the motor vehicle, within thirty business days, the 4662  
insurance company shall deliver the certificate of title to a 4663  
clerk of a court of common pleas and shall make application for 4664  
a salvage certificate of title. This certificate of title, any 4665  
supporting power of attorney, or application for a salvage 4666  
certificate of title shall be exempt from the requirements of 4667  
notarization and verification as described in this chapter and 4668  
in section 1337.25 of the Revised Code, and may be signed 4669  
electronically. 4670

(b) If an insurance company obtains possession of the 4671  
motor vehicle and a physical certificate of title was issued for 4672  
the vehicle but the insurance company is unable to obtain the 4673  
properly endorsed certificate of title for the motor vehicle 4674  
within thirty business days following the vehicle's owner or 4675  
lienholder's acceptance of the insurance company's payment for 4676  
the vehicle, the insurance company may apply to the clerk of a 4677  
court of common pleas for a salvage certificate of title without 4678  
delivering the certificate of title for the motor vehicle. The 4679  
application, which may be signed electronically, shall be 4680  
accompanied by evidence that the insurance company has paid a 4681  
total loss claim on the vehicle, a copy of the written request 4682  
for the certificate of title from the insurance company or its 4683  
designee, and proof that the request was delivered by a 4684

nationally recognized courier service to the last known address 4685  
of the owner of the vehicle and any known lienholder, to obtain 4686  
the certificate of title. 4687

(c) If an insurance company obtains possession of the 4688  
motor vehicle and a physical certificate of title was not issued 4689  
for the vehicle, the insurance company may apply to the clerk of 4690  
a court of common pleas for a salvage certificate of title 4691  
without delivering a certificate of title for the motor vehicle. 4692  
The application shall be accompanied by the electronic 4693  
certificate of title control number and a properly executed 4694  
power of attorney, or other appropriate document, from the owner 4695  
of the motor vehicle authorizing the insurance company to apply 4696  
for a salvage certificate of title. The application for a 4697  
salvage certificate of title, any supporting power of attorney, 4698  
and any other appropriate document shall be exempt from the 4699  
requirements of notarization and verification as described in 4700  
this chapter and in section 1337.25 of the Revised Code, and may 4701  
be signed electronically. 4702

(d) Upon receipt of a properly completed application for a 4703  
salvage certificate of title as described in division (C)(1)(a), 4704  
(b), or (c) or (C)(2) of this section, the clerk shall issue the 4705  
salvage certificate of title on a form, prescribed by the 4706  
registrar, that shall be easily distinguishable from the 4707  
original certificate of title and shall bear the same 4708  
information as the original certificate of title except that it 4709  
may bear a different number than that of the original 4710  
certificate of title. The salvage certificate of title shall 4711  
include the following notice in bold lettering: 4712

"SALVAGE MOTOR VEHICLE - PURSUANT TO R.C. 4738.01." 4713

Except as provided in division (C)(3) of this section, the 4714

salvage certificate of title shall be assigned by the insurance 4715  
company to a salvage dealer or any other person for use as 4716  
evidence of ownership upon the sale or other disposition of the 4717  
motor vehicle, and the salvage certificate of title shall be 4718  
transferable to any other person. The clerk shall charge a fee 4719  
of four dollars for the cost of processing each salvage 4720  
certificate of title. 4721

(2) If an insurance company requests that a salvage motor 4722  
vehicle auction take possession of a motor vehicle that is the 4723  
subject of an insurance claim, and subsequently the insurance 4724  
company denies coverage with respect to the motor vehicle or 4725  
does not otherwise take ownership of the motor vehicle, the 4726  
salvage motor vehicle auction may proceed as follows. After the 4727  
salvage motor vehicle auction has possession of the motor 4728  
vehicle for forty-five days, it may apply to the clerk of a 4729  
court of common pleas for a salvage certificate of title without 4730  
delivering the certificate of title for the motor vehicle. The 4731  
application shall be accompanied by a copy of the written 4732  
request that the vehicle be removed from the facility on the 4733  
salvage motor vehicle auction's letterhead, and proof that the 4734  
request was delivered by a nationally recognized courier service 4735  
to the last known address of the owner of the vehicle and any 4736  
known lienholder, requesting that the vehicle be removed from 4737  
the facility of the salvage motor vehicle auction. Upon receipt 4738  
of a properly completed application, the clerk shall follow the 4739  
process as described in division (C) (1) (d) of this section. The 4740  
salvage certificate of title so issued shall be free and clear 4741  
of all liens. 4742

(3) If an insurance company considers a motor vehicle as 4743  
described in division (C) (1) (a), (b), or (c) of this section to 4744  
be impossible to restore for highway operation, the insurance 4745

company may assign the certificate of title to the motor vehicle 4746  
to a salvage dealer or scrap metal processing facility and send 4747  
the assigned certificate of title to the clerk of the court of 4748  
common pleas of any county. The insurance company shall mark the 4749  
face of the certificate of title "FOR DESTRUCTION" and shall 4750  
deliver a photocopy of the certificate of title to the salvage 4751  
dealer or scrap metal processing facility for its records. 4752

(4) If an insurance company declares it economically 4753  
impractical to repair a motor vehicle, agrees to pay to the 4754  
insured or claimant owner an amount in settlement of a claim 4755  
against a policy of motor vehicle insurance covering the motor 4756  
vehicle, and agrees to permit the insured or claimant owner to 4757  
retain possession of the motor vehicle, the insurance company 4758  
shall not pay the insured or claimant owner any amount in 4759  
settlement of the insurance claim until the owner obtains a 4760  
salvage certificate of title to the vehicle and furnishes a copy 4761  
of the salvage certificate of title to the insurance company. 4762

(D) When a self-insured organization, rental or leasing 4763  
company, or secured creditor becomes the owner of a motor 4764  
vehicle that is burned, damaged, or dismantled and is determined 4765  
to be economically impractical to repair, the self-insured 4766  
organization, rental or leasing company, or secured creditor 4767  
shall do one of the following: 4768

(1) Mark the face of the certificate of title to the motor 4769  
vehicle "FOR DESTRUCTION" and surrender the certificate of title 4770  
to a clerk of a court of common pleas for cancellation as 4771  
described in division (A) of this section. The self-insured 4772  
organization, rental or leasing company, or secured creditor 4773  
then shall deliver the motor vehicle, together with a photocopy 4774  
of the certificate of title, to a salvage dealer or scrap metal 4775

processing facility and shall cause the motor vehicle to be 4776  
dismantled, flattened, crushed, or destroyed. 4777

(2) Obtain a salvage certificate of title to the motor 4778  
vehicle in the name of the self-insured organization, rental or 4779  
leasing company, or secured creditor, as provided in division 4780  
(C) (1) of this section, and then sell or otherwise dispose of 4781  
the motor vehicle. If the motor vehicle is sold, the self- 4782  
insured organization, rental or leasing company, or secured 4783  
creditor shall obtain a salvage certificate of title to the 4784  
motor vehicle in the name of the purchaser from a clerk of a 4785  
court of common pleas. 4786

(E) If a motor vehicle titled with a salvage certificate 4787  
of title is restored for operation upon the highways, 4788  
application shall be made to a clerk of a court of common pleas 4789  
for a certificate of title. Upon inspection by the state highway 4790  
patrol, which shall include establishing proof of ownership and 4791  
an inspection of the motor number and vehicle identification 4792  
number of the motor vehicle and of documentation or receipts for 4793  
the materials used in restoration by the owner of the motor 4794  
vehicle being inspected, which documentation or receipts shall 4795  
be presented at the time of inspection, the clerk, upon 4796  
surrender of the salvage certificate of title, shall issue a 4797  
certificate of title for a fee prescribed by the registrar. The 4798  
certificate of title shall be in the same form as the original 4799  
certificate of title and shall bear the words "REBUILT SALVAGE" 4800  
in black boldface letters on its face. Every subsequent 4801  
certificate of title, memorandum certificate of title, or 4802  
duplicate certificate of title issued for the motor vehicle also 4803  
shall bear the words "REBUILT SALVAGE" in black boldface letters 4804  
on its face. The exact location on the face of the certificate 4805  
of title of the words "REBUILT SALVAGE" shall be determined by 4806

the registrar, who shall develop an automated procedure within 4807  
the automated title processing system to comply with this 4808  
division. The clerk shall use reasonable care in performing the 4809  
duties imposed on the clerk by this division in issuing a 4810  
certificate of title pursuant to this division, but the clerk is 4811  
not liable for any of the clerk's errors or omissions or those 4812  
of the clerk's deputies, or the automated title processing 4813  
system in the performance of those duties. A fee of fifty 4814  
dollars shall be assessed by the state highway patrol for each 4815  
inspection made pursuant to this division and shall be deposited 4816  
into the public safety - highway purposes fund established by 4817  
section 4501.06 of the Revised Code. 4818

(F) No person shall operate upon the highways in this 4819  
state a motor vehicle, title to which is evidenced by a salvage 4820  
certificate of title, except to deliver the motor vehicle 4821  
pursuant to an appointment for an inspection under this section. 4822

(G) No motor vehicle the certificate of title to which has 4823  
been marked "FOR DESTRUCTION" and surrendered to a clerk of a 4824  
court of common pleas shall be used for anything except parts 4825  
and scrap metal. 4826

(H) (1) Except as otherwise provided in this division, an 4827  
owner of a manufactured or mobile home that will be taxed as 4828  
real property pursuant to division (B) of section 4503.06 of the 4829  
Revised Code shall surrender the certificate of title to the 4830  
auditor of the county containing the taxing district in which 4831  
the home is located. An owner whose home qualifies for real 4832  
property taxation under divisions (B) (1) (a) and (b) of section 4833  
4503.06 of the Revised Code shall surrender the certificate 4834  
within fifteen days after the home meets the conditions 4835  
specified in those divisions. The auditor shall deliver the 4836

certificate of title to the clerk of the court of common pleas 4837  
who issued it. 4838

(2) If the certificate of title for a manufactured or 4839  
mobile home that is to be taxed as real property is held by a 4840  
lienholder, the lienholder shall surrender the certificate of 4841  
title to the auditor of the county containing the taxing 4842  
district in which the home is located, and the auditor shall 4843  
deliver the certificate of title to the clerk of the court of 4844  
common pleas who issued it. The lienholder shall surrender the 4845  
certificate within thirty days after both of the following have 4846  
occurred: 4847

(a) The homeowner has provided written notice to the 4848  
lienholder requesting that the certificate of title be 4849  
surrendered to the auditor of the county containing the taxing 4850  
district in which the home is located. 4851

(b) The homeowner has either paid the lienholder the 4852  
remaining balance owed to the lienholder, or, with the 4853  
lienholder's consent, executed and delivered to the lienholder a 4854  
mortgage on the home and land on which the home is sited in the 4855  
amount of the remaining balance owed to the lienholder. 4856

(3) Upon the delivery of a certificate of title by the 4857  
county auditor to the clerk, the clerk shall inactivate it and 4858  
maintain it in the automated title processing system for a 4859  
period of thirty years. 4860

(4) Upon application by the owner of a manufactured or 4861  
mobile home that is taxed as real property pursuant to division 4862  
(B) of section 4503.06 of the Revised Code and that no longer 4863  
satisfies divisions (B)(1)(a) and (b) or divisions (B)(2)(a) and 4864  
(b) of that section, the clerk shall reactivate the record of 4865

the certificate of title that was inactivated under division (H) 4866  
(3) of this section and shall issue a new certificate of title, 4867  
but only if the application contains or has attached to it all 4868  
of the following: 4869

(a) An endorsement of the county treasurer that all real 4870  
property taxes charged against the home under Title LVII of the 4871  
Revised Code and division (B) of section 4503.06 of the Revised 4872  
Code for all preceding tax years have been paid; 4873

(b) An endorsement of the county auditor that the home 4874  
will be removed from the real property tax list; 4875

(c) Proof that there are no outstanding mortgages or other 4876  
liens on the home or, if there are such mortgages or other 4877  
liens, that the mortgagee or lienholder has consented to the 4878  
reactivation of the certificate of title. 4879

(I) (1) Whoever violates division (F) of this section shall 4880  
be fined not more than two thousand dollars, imprisoned not more 4881  
than one year, or both. 4882

(2) Whoever violates division (G) of this section shall be 4883  
fined not more than one thousand dollars, imprisoned not more 4884  
than six months, or both. 4885

**Sec. 4509.70.** (A) After consultation with the insurance 4886  
companies authorized to issue automobile liability or physical 4887  
damage policies, or both, in this state, the superintendent of 4888  
insurance shall approve a reasonable plan, fair and equitable to 4889  
the insurers and to their policyholders, for the apportionment 4890  
among such companies of applicants for such policies and for 4891  
motor-vehicle liability policies who are in good faith entitled 4892  
to but are unable to procure such policies through ordinary 4893  
methods. When any such plan has been approved by the 4894

superintendent, all such insurance companies shall subscribe and 4895  
participate. Any applicant for such policy, any person insured 4896  
under such plan of operation, and any insurance company 4897  
affected, may appeal to the superintendent of insurance from any 4898  
ruling or decision of the manager or committee designated in the 4899  
plan to operate the assigned risk insurance plan. Any order or 4900  
act of the superintendent under this section is subject to 4901  
review as provided in sections 119.01 to 119.13 of the Revised 4902  
Code, at the instance of any party in interest. 4903

(B) The plan described in division (A) of this section may 4904  
permit the assigned risk insurance plan to directly issue and 4905  
process claims arising from such policies described in division 4906  
(A) of this section to applicants of ~~private passenger~~ 4907  
automobile insurance policies who are in good faith entitled to 4908  
but are unable to procure such policies through ordinary 4909  
methods. 4910

(C) Every form of a policy, endorsement, rider, manual of 4911  
classifications, rules, and rates, every rating plan, and every 4912  
modification of any of them proposed to be used by the assigned 4913  
risk insurance plan shall be filed, or the plan may satisfy its 4914  
obligation to make such filings, as described in section 3937.03 4915  
of the Revised Code. 4916

(D) Any ~~private passenger~~ automobile insurance policy 4917  
issued by the assigned risk insurance plan under division (B) of 4918  
this section: 4919

(1) Shall be recognized as if issued by an insurance 4920  
company authorized to do business in this state; 4921

(2) Shall meet all requirements of proof of financial 4922  
responsibility as described in division (K) of section 4509.01 4923

of the Revised Code. 4924

(E) Proof of financial responsibility provided by the 4925  
assigned risk insurance plan to ~~a private passenger~~ an 4926  
automobile insurance policyholder that meets the requirements 4927  
described in division (G) (1) (a) or (b) of section 4509.101 of 4928  
the Revised Code shall be recognized as if issued by an 4929  
insurance company authorized to do business in this state to 4930  
demonstrate proof of financial responsibility under section 4931  
4509.101 of the Revised Code. 4932

(F) The assigned risk insurance plan designated in 4933  
division (A) of this section shall do both of the following: 4934

(1) Make annual audited financial reports available to the 4935  
superintendent of insurance promptly upon the completion of such 4936  
audit; 4937

(2) Upon reasonable notice, make available to the 4938  
superintendent of insurance all books and records relating to 4939  
the insurance transactions of the assigned risk insurance plan. 4940

**Section 2.** That existing sections 167.03, 1317.04, 4941  
1317.05, 1751.32, 1751.74, 1751.84, 1753.31, 3901.045, 3901.45, 4942  
3901.811, 3901.87, 3902.08, 3903.01, 3903.52, 3903.56, 3903.71, 4943  
3903.724, 3903.728, 3903.7211, 3903.74, 3904.01, 3904.16, 4944  
3905.051, 3905.14, 3905.84, 3905.85, 3905.87, 3907.15, 3909.04, 4945  
3911.24, 3913.11, 3913.40, 3915.05, 3915.053, 3915.073, 3915.13, 4946  
3916.171, 3919.14, 3922.11, 3922.14, 3923.021, 3923.04, 3923.53, 4947  
3925.09, 3927.08, 3929.04, 3930.10, 3931.03, 3931.99, 3941.46, 4948  
3951.04, 3951.06, 3951.10, 3953.14, 3956.01, 3959.01, 3960.07, 4949  
3964.19, 3999.16, 4505.11, and 4509.70 of the Revised Code are 4950  
hereby repealed. 4951

**Section 3.** With the exception of amendments made to 4952

sections 167.03, 1317.04, 1317.05, 3905.85, 3905.87, 3907.15, 4953  
3915.13, 3951.06, 4505.11, and 4509.70 of the Revised Code, it 4954  
is the intent of the General Assembly for the amendments made in 4955  
this act to be nonsubstantive as provided in section 1.301 of 4956  
the Revised Code. 4957