

# AN ACT

To amend sections 3901.21, 3901.32, 3901.33, 3901.34, 3901.341, 3901.36, 3905.051, 3905.06, 3905.064, 3915.073, 3953.01, 3953.331, and 3953.36 and to enact sections 3901.046, 3901.212, 3901.213, 3901.214, 3901.215, 3905.065, 3905.066, 3905.067, 3905.068, 3905.069, 3905.0610, and 3905.0611 of the Revised Code to amend the law related to travel insurance.

*Be it enacted by the General Assembly of the State of Ohio:*

SECTION 1. That sections 3901.21, 3901.32, 3901.33, 3901.34, 3901.341, 3901.36, 3905.051, 3905.06, 3905.064, 3915.073, 3953.01, 3953.331, and 3953.36 be amended and sections 3901.046, 3901.212, 3901.213, 3901.214, 3901.215, 3905.065, 3905.066, 3905.067, 3905.068, 3905.069, 3905.0610, and 3905.0611 of the Revised Code be enacted to read as follows:

Sec. 3901.046. (A) As used in this section:

(1) "Electronic signature" has the same meaning as in section 1306.01 of the Revised Code.

(2) "Insurer" has the same meaning as in section 3901.32 of the Revised Code.

(B) An insurer may use an electronic signature to comply with any signature requirement placed upon insurers by this title, including any requirement that a document submitted by an insurer to the department of insurance be signed.

Sec. 3901.21. The following are hereby defined as unfair and deceptive acts or practices in the business of insurance:

(A) Making, issuing, circulating, or causing or permitting to be made, issued, or circulated, or preparing with intent to so use, any estimate, illustration, circular, or statement misrepresenting the terms of any policy issued or to be issued or the benefits or advantages promised thereby or the dividends or share of the surplus to be received thereon, or making any false or misleading statements as to the dividends or share of surplus previously paid on similar policies, or making any misleading representation or any misrepresentation as to the financial condition of any insurer as shown by the last preceding verified statement made by it to the insurance department of this state, or as to the legal reserve system upon which any life insurer operates, or using any name or title of any policy or class of policies misrepresenting the true nature thereof, or making any misrepresentation or incomplete comparison to any person for the purpose of inducing or tending to induce such person to purchase, amend, lapse, forfeit, change, or surrender insurance.

Any written statement concerning the premiums for a policy which refers to the net cost after credit for an assumed dividend, without an accurate written statement of the gross premiums, cash values, and dividends based on the insurer's current dividend scale, which are used to compute the net cost for such policy, and a prominent warning that the rate of dividend is not guaranteed, is a misrepresentation for the purposes of this division.

(B) Making, publishing, disseminating, circulating, or placing before the public or causing, directly or indirectly, to be made, published, disseminated, circulated, or placed before the public, in a newspaper, magazine, or other publication, or in the form of a notice, circular, pamphlet, letter, or poster, or over any radio station, or in any other way, or preparing with intent to so use, an advertisement, announcement, or statement containing any assertion, representation, or statement, with respect to the business of insurance or with respect to any person in the conduct of the person's insurance business, which is untrue, deceptive, or misleading.

(C) Making, publishing, disseminating, or circulating, directly or indirectly, or aiding, abetting, or encouraging the making, publishing, disseminating, or circulating, or preparing with intent to so use, any statement, pamphlet, circular, article, or literature, which is false as to the financial condition of an insurer and which is calculated to injure any person engaged in the business of insurance.

(D) Filing with any supervisory or other public official, or making, publishing, disseminating, circulating, or delivering to any person, or placing before the public, or causing directly or indirectly to be made, published, disseminated, circulated, delivered to any person, or placed before the public, any false statement of financial condition of an insurer.

Making any false entry in any book, report, or statement of any insurer with intent to deceive any agent or examiner lawfully appointed to examine into its condition or into any of its affairs, or any public official to whom such insurer is required by law to report, or who has authority by law to examine into its condition or into any of its affairs, or, with like intent, willfully omitting to make a true entry of any material fact pertaining to the business of such insurer in any book, report, or statement of such insurer, or mutilating, destroying, suppressing, withholding, or concealing any of its records.

(E) Issuing or delivering or permitting agents, officers, or employees to issue or deliver agency company stock or other capital stock or benefit certificates or shares in any common-law corporation or securities or any special or advisory board contracts or other contracts of any kind promising returns and profits as an inducement to insurance.

(F) ~~Making~~ Except as provided in section 3901.213 of the Revised Code, making or permitting any unfair discrimination among individuals of the same class and equal expectation of life in the rates charged for any contract of life insurance or of life annuity or in the dividends or other benefits payable thereon, or in any other of the terms and conditions of such contract.

(G)(1) Except as otherwise expressly provided by law, including as provided in section 3901.213 of the Revised Code, knowingly permitting or offering to make or making any contract of life insurance, life annuity or accident and health insurance, or agreement as to such contract other than as plainly expressed in the contract issued thereon, or paying or allowing, or giving or offering to pay, allow, or give, directly or indirectly, as inducement to such insurance, or annuity, any rebate of premiums payable on the contract, or any special favor or advantage in the dividends or other benefits thereon, or any valuable consideration or inducement whatever not specified in the contract; or giving, or selling, or purchasing, or offering to give, sell, or purchase, as inducement to such insurance or annuity or in connection therewith, any stocks, bonds, or other securities, or other obligations of any insurance company or other corporation, association, or partnership, or any dividends or profits accrued thereon, or anything of value whatsoever not specified in the contract.

~~(2) Nothing in division (F) or division (G)(1) of this section shall be construed as prohibiting any of the following practices: (a) in the case of any contract of life insurance or life annuity, paying bonuses to policyholders or otherwise abating their premiums in whole or in part out of surplus accumulated from nonparticipating insurance, provided that any such bonuses or abatement of premiums shall be fair and equitable to policyholders and for the best interests of the company and its policyholders; (b) in the case of life insurance policies issued on the industrial debit plan, making allowance to policyholders who have continuously for a specified period made premium payments directly to an office of the insurer in an amount which fairly represents the saving in collection expenses; (c) readjustment of the rate of premium for a group insurance policy based on the loss or expense experience thereunder, at the end of the first or any subsequent policy year of insurance thereunder, which may be made retroactive only for such policy year. An insurer, producer, or representative of either shall not offer or provide insurance as an inducement to the purchase of another policy of insurance and shall not use the words "free" or "no cost," or words of similar import, to such effect in an advertisement.~~

(H) Making, issuing, circulating, or causing or permitting to be made, issued, or circulated, or preparing with intent to so use, any statement to the effect that a policy of life insurance is, is the equivalent of, or represents shares of capital stock or any rights or options to subscribe for or otherwise acquire any such shares in the life insurance company issuing that policy or any other company.

(I) Making, issuing, circulating, or causing or permitting to be made, issued or circulated, or preparing with intent to so issue, any statement to the effect that payments to a policyholder of the principal amounts of a pure endowment are other than payments of a specific benefit for which specific premiums have been paid.

(J) Making, issuing, circulating, or causing or permitting to be made, issued, or circulated, or preparing with intent to so use, any statement to the effect that any insurance company was required to change a policy form or related material to comply with Title XXXIX of the Revised Code or any regulation of the superintendent of insurance, for the purpose of inducing or intending to induce any policyholder or prospective policyholder to purchase, amend, lapse, forfeit, change, or surrender insurance.

(K) Aiding or abetting another to violate this section.

(L) Refusing to issue any policy of insurance, or canceling or declining to renew such policy because of the sex or marital status of the applicant, prospective insured, insured, or policyholder.

(M) Making or permitting any unfair discrimination between individuals of the same class and of essentially the same hazard in the amount of premium, policy fees, or rates charged for any policy or contract of insurance, other than life insurance, or in the benefits payable thereunder, or in underwriting standards and practices or eligibility requirements, or in any of the terms or conditions of such contract, or in any other manner whatever.

(N) Refusing to make available disability income insurance solely because the applicant's principal occupation is that of managing a household.

(O) Refusing, when offering maternity benefits under any individual or group sickness and accident insurance policy, to make maternity benefits available to the policyholder for the individual or individuals to be covered under any comparable policy to be issued for delivery in this state,

including family members if the policy otherwise provides coverage for family members. Nothing in this division shall be construed to prohibit an insurer from imposing a reasonable waiting period for such benefits under an individual sickness and accident insurance policy issued to an individual who is not a federally eligible individual or a nonemployer-related group sickness and accident insurance policy, but in no event shall such waiting period exceed two hundred seventy days.

For purposes of division (O) of this section, "federally eligible individual" means an eligible individual as defined in 45 C.F.R. 148.103.

(P) Using, or permitting to be used, a pattern settlement as the basis of any offer of settlement. As used in this division, "pattern settlement" means a method by which liability is routinely imputed to a claimant without an investigation of the particular occurrence upon which the claim is based and by using a predetermined formula for the assignment of liability arising out of occurrences of a similar nature. Nothing in this division shall be construed to prohibit an insurer from determining a claimant's liability by applying formulas or guidelines to the facts and circumstances disclosed by the insurer's investigation of the particular occurrence upon which a claim is based.

(Q) Refusing to insure, or refusing to continue to insure, or limiting the amount, extent, or kind of life or sickness and accident insurance or annuity coverage available to an individual, or charging an individual a different rate for the same coverage solely because of blindness or partial blindness. With respect to all other conditions, including the underlying cause of blindness or partial blindness, persons who are blind or partially blind shall be subject to the same standards of sound actuarial principles or actual or reasonably anticipated actuarial experience as are sighted persons. Refusal to insure includes, but is not limited to, denial by an insurer of disability insurance coverage on the grounds that the policy defines "disability" as being presumed in the event that the eyesight of the insured is lost. However, an insurer may exclude from coverage disabilities consisting solely of blindness or partial blindness when such conditions existed at the time the policy was issued. To the extent that the provisions of this division may appear to conflict with any provision of section 3999.16 of the Revised Code, this division applies.

(R)(1) Directly or indirectly offering to sell, selling, or delivering, issuing for delivery, renewing, or using or otherwise marketing any policy of insurance or insurance product in connection with or in any way related to the grant of a student loan guaranteed in whole or in part by an agency or commission of this state or the United States, except insurance that is required under federal or state law as a condition for obtaining such a loan and the premium for which is included in the fees and charges applicable to the loan; or, in the case of an insurer or insurance agent, knowingly permitting any lender making such loans to engage in such acts or practices in connection with the insurer's or agent's insurance business.

(2) Except in the case of a violation of division (G) of this section, division (R)(1) of this section does not apply to either of the following:

(a) Acts or practices of an insurer, its agents, representatives, or employees in connection with the grant of a guaranteed student loan to its insured or the insured's spouse or dependent children where such acts or practices take place more than ninety days after the effective date of the insurance;

(b) Acts or practices of an insurer, its agents, representatives, or employees in connection with the solicitation, processing, or issuance of an insurance policy or product covering the student

loan borrower or the borrower's spouse or dependent children, where such acts or practices take place more than one hundred eighty days after the date on which the borrower is notified that the student loan was approved.

(S) Denying coverage, under any health insurance or health care policy, contract, or plan providing family coverage, to any natural or adopted child of the named insured or subscriber solely on the basis that the child does not reside in the household of the named insured or subscriber.

(T)(1) Using any underwriting standard or engaging in any other act or practice that, directly or indirectly, due solely to any health status-related factor in relation to one or more individuals, does either of the following:

(a) Terminates or fails to renew an existing individual policy, contract, or plan of health benefits, or a health benefit plan issued to an employer, for which an individual would otherwise be eligible;

(b) With respect to a health benefit plan issued to an employer, excludes or causes the exclusion of an individual from coverage under an existing employer-provided policy, contract, or plan of health benefits.

(2) The superintendent of insurance may adopt rules in accordance with Chapter 119. of the Revised Code for purposes of implementing division (T)(1) of this section.

(3) For purposes of division (T)(1) of this section, "health status-related factor" means any of the following:

(a) Health status;

(b) Medical condition, including both physical and mental illnesses;

(c) Claims experience;

(d) Receipt of health care;

(e) Medical history;

(f) Genetic information;

(g) Evidence of insurability, including conditions arising out of acts of domestic violence;

(h) Disability.

(U) With respect to a health benefit plan issued to a small employer, as those terms are defined in section 3924.01 of the Revised Code, negligently or willfully placing coverage for adverse risks with a certain carrier, as defined in section 3924.01 of the Revised Code.

(V) Using any program, scheme, device, or other unfair act or practice that, directly or indirectly, causes or results in the placing of coverage for adverse risks with another carrier, as defined in section 3924.01 of the Revised Code.

(W) Failing to comply with section 3923.23, 3923.231, 3923.232, 3923.233, or 3923.234 of the Revised Code by engaging in any unfair, discriminatory reimbursement practice.

(X) Intentionally establishing an unfair premium for, or misrepresenting the cost of, any insurance policy financed under a premium finance agreement of an insurance premium finance company.

(Y)(1)(a) Limiting coverage under, refusing to issue, canceling, or refusing to renew, any individual policy or contract of life insurance, or limiting coverage under or refusing to issue any individual policy or contract of health insurance, for the reason that the insured or applicant for insurance is or has been a victim of domestic violence;

(b) Adding a surcharge or rating factor to a premium of any individual policy or contract of life or health insurance for the reason that the insured or applicant for insurance is or has been a victim of domestic violence;

(c) Denying coverage under, or limiting coverage under, any policy or contract of life or health insurance, for the reason that a claim under the policy or contract arises from an incident of domestic violence;

(d) Inquiring, directly or indirectly, of an insured under, or of an applicant for, a policy or contract of life or health insurance, as to whether the insured or applicant is or has been a victim of domestic violence, or inquiring as to whether the insured or applicant has sought shelter or protection from domestic violence or has sought medical or psychological treatment as a victim of domestic violence.

(2) Nothing in division (Y)(1) of this section shall be construed to prohibit an insurer from inquiring as to, or from underwriting or rating a risk on the basis of, a person's physical or mental condition, even if the condition has been caused by domestic violence, provided that all of the following apply:

(a) The insurer routinely considers the condition in underwriting or in rating risks, and does so in the same manner for a victim of domestic violence as for an insured or applicant who is not a victim of domestic violence;

(b) The insurer does not refuse to issue any policy or contract of life or health insurance or cancel or refuse to renew any policy or contract of life insurance, solely on the basis of the condition, except where such refusal to issue, cancellation, or refusal to renew is based on sound actuarial principles or is related to actual or reasonably anticipated experience;

(c) The insurer does not consider a person's status as being or as having been a victim of domestic violence, in itself, to be a physical or mental condition;

(d) The underwriting or rating of a risk on the basis of the condition is not used to evade the intent of division (Y)(1) of this section, or of any other provision of the Revised Code.

(3)(a) Nothing in division (Y)(1) of this section shall be construed to prohibit an insurer from refusing to issue a policy or contract of life insurance insuring the life of a person who is or has been a victim of domestic violence if the person who committed the act of domestic violence is the applicant for the insurance or would be the owner of the insurance policy or contract.

(b) Nothing in division (Y)(2) of this section shall be construed to permit an insurer to cancel or refuse to renew any policy or contract of health insurance in violation of the "Health Insurance Portability and Accountability Act of 1996," 110 Stat. 1955, 42 U.S.C.A. 300gg-41(b), as amended, or in a manner that violates or is inconsistent with any provision of the Revised Code that implements the "Health Insurance Portability and Accountability Act of 1996."

(4) An insurer is immune from any civil or criminal liability that otherwise might be incurred or imposed as a result of any action taken by the insurer to comply with division (Y) of this section.

(5) As used in division (Y) of this section, "domestic violence" means any of the following acts:

(a) Knowingly causing or attempting to cause physical harm to a family or household member;

(b) Recklessly causing serious physical harm to a family or household member;

(c) Knowingly causing, by threat of force, a family or household member to believe that the person will cause imminent physical harm to the family or household member.

For the purpose of division (Y)(5) of this section, "family or household member" has the same meaning as in section 2919.25 of the Revised Code.

Nothing in division (Y)(5) of this section shall be construed to require, as a condition to the application of division (Y) of this section, that the act described in division (Y)(5) of this section be the basis of a criminal prosecution.

(Z) Disclosing a coroner's records by an insurer in violation of section 313.10 of the Revised Code.

(AA) Making, issuing, circulating, or causing or permitting to be made, issued, or circulated any statement or representation that a life insurance policy or annuity is a contract for the purchase of funeral goods or services.

(BB) With respect to a health care contract as defined in section 3963.01 of the Revised Code that covers vision services, as defined in that section, including any of the contract terms prohibited under or failing to make the disclosures required under division (E) of section 3963.02 of the Revised Code.

(CC) With respect to private passenger automobile insurance, charging premium rates that are excessive, inadequate, or unfairly discriminatory, pursuant to division (D) of section 3937.02 of the Revised Code, based solely on the location of the residence of the insured.

The enumeration in sections 3901.19 to 3901.26 of the Revised Code of specific unfair or deceptive acts or practices in the business of insurance is not exclusive or restrictive or intended to limit the powers of the superintendent of insurance to adopt rules to implement this section, or to take action under other sections of the Revised Code.

This section does not prohibit the sale of shares of any investment company registered under the "Investment Company Act of 1940," 54 Stat. 789, 15 U.S.C.A. 80a-1, as amended, or any policies, annuities, or other contracts described in section 3907.15 of the Revised Code.

As used in this section, "estimate," "statement," "representation," "misrepresentation," "advertisement," or "announcement" includes oral or written occurrences.

Sec. 3901.212. (A) As used in sections 3901.212 to 3901.213 of the Revised Code, "consumer" means a policyholder, potential policyholder, certificate holder, potential certificate holder, insured, potential insured, or applicant.

(B) The superintendent may adopt rules pursuant to Chapter 119. of the Revised Code to implement the practices set forth in section 3901.213 of the Revised Code to ensure consumer protection. Such regulations, consistent with applicable law, may address all of the following:

(1) Consumer data protections and privacy;

(2) Consumer disclosure;

(3) Unfair discrimination;

(4) Any other matter the superintendent considers pertinent.

Sec. 3901.213. Nothing in division (F) or (G) of section 3901.21 or in section 3933.01 of the Revised Code shall be construed as prohibiting any of the following practices:

(A) In the case of any contract of life insurance or life annuity, paying bonuses to policyholders or otherwise abating their premiums in whole or in part out of surplus accumulated

from nonparticipating insurance, provided that any such bonuses or abatement of premiums shall be fair and equitable to policyholders and in the best interests of the company and its policyholders;

(B) In the case of life insurance policies issued on the industrial debit plan, making allowance to policyholders who have continuously for a specified period made premium payments directly to an office of the insurer in an amount which fairly represents the saving in collection expenses;

(C) Readjustment of the rate of premium for a group insurance policy based on the loss or expense experience thereunder, at the end of the first or any subsequent policy year of insurance thereunder, which may be made retroactive only for such policy year;

(D)(1) Subject to divisions (D)(2) and (3) of this section, the offer or provision by insurers or producers, by or through employees, affiliates, or third party representatives, of value-added products or services at no or reduced cost when such products or services are not specified in the policy of insurance, if the product or service meets all of the following:

(a) The cost to the insurer or producer offering the product or service to any given consumer is reasonable in comparison to that consumer's premiums or insurance coverage for the policy class.

(b) It relates to the insurance coverage.

(c) It is primarily designed to do one or more of the following:

(i) Provide loss mitigation or loss control;

(ii) Reduce claim costs or claim settlement costs;

(iii) Provide education about liability risks or risk of loss to persons or property;

(iv) Monitor or assess risk, identify risks, or identify risk of loss to persons or property;

(v) Enhance health;

(vi) Enhance financial wellness through items such as education or financial planning services;

(vii) Provide post-loss services;

(viii) Incentivize behavioral changes to improve the health or reduce the risk of death or disability of a consumer;

(ix) Assist in the administration of the employee or retiree benefit insurance coverage.

(d) The product or service is provided along with contact information for the purpose of ensuring the consumer is assisted with questions regarding the product or service, if the insurer or producer is providing the product or service offered.

(2)(a) Value-added products shall not be offered in a manner that is unfairly discriminatory. The availability of value-added products or services shall be based on documented, objective criteria.

(b) The documented criteria shall be maintained by the insurer or producer and shall be provided to the superintendent of insurance upon request.

(3)(a) If an insurer or producer does not have sufficient evidence, but has a good-faith belief that a product or service it wishes to offer meets the criteria prescribed in division (D)(1) of this section, the insurer or producer may provide the product or service in a manner that is not unfairly discriminatory as part of a pilot or testing program for no more than one year.

(b) An insurer or producer shall notify the superintendent of insurance of such a pilot or testing program offered to consumers in this state prior to launching the pilot or testing program and may proceed with the pilot or testing program unless the superintendent objects in writing within twenty-one days of receiving notice.



(E)(1) Subject to divisions (E)(2) and (3) of this section, the offer or gifting of noncash gifts, items, or services, including providing meals to or making charitable donations on behalf of a consumer, in connection with the marketing, sale, purchase, or retention of contracts of insurance, as long as the cost does not exceed an amount determined by the superintendent per policy year per term or calendar year.

(2) The offer shall be made in a manner that is not unfairly discriminatory.

(3) The consumer shall not be required to purchase, continue to purchase, or renew a policy in exchange for the gift, item, or service.

(F)(1) Subject to divisions (F)(2) and (3) of this section, the offer or gifting of non-cash gifts, items, or services, including providing meals to or making charitable donations on behalf of, commercial or institutional consumers in connection with the marketing, sale, purchase, or retention of contracts of insurance, as long as the cost is reasonable in comparison to the premium or proposed premium and the cost of the gift or services is not included in any amounts charged to another person or entity.

(2) The offer shall be made in a manner that is not unfairly discriminatory.

(3) The consumer shall not be required to purchase, continue to purchase, or renew a policy in exchange for the gift, item, or service.

(G) The conducting of raffles or drawings to the extent permitted by state law, so long as the raffle or drawing meets all of the following:

(1) There is no financial cost to entrants to participate.

(2) The drawing or raffle does not obligate participants to purchase insurance.

(3) The drawing or raffle is open to the public.

(4) The raffle or drawing is offered in a manner that is not unfairly discriminatory.

Sec. 3901.214. The provisions of sections 3901.213 and 3933.01 of the Revised Code that prohibit a producer or insurer from giving rebates, discounts, gifts, or other valuable consideration as an inducement to insurance do not apply to commercial property and casualty insurance, but do apply to producer commission reductions not included in insurance company rate filings.

Sec. 3901.215. The intent of the general assembly in amending section 3901.21 of the Revised Code and enacting sections 3901.212 and 3901.213 of the Revised Code is to promote innovation in connection with the offering of value-added services while maintaining strong consumer protections.

Sec. 3901.32. As used in sections 3901.32 to 3901.37 of the Revised Code:

(A) "Affiliate of" or "affiliated with" a specific person means a person that, directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, the person specified.

(B) "Control," including "controlling," "controlled by," and "under common control with," means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract other than a commercial contract for goods or nonmanagement services, or otherwise, unless the power is the result of an official position with or corporate office held by the person. Control shall be presumed to exist if any person, directly or indirectly, owns, controls, holds with the power to vote, or holds proxies representing, ten per cent or more of the voting securities of any other person.

This presumption may be rebutted by a showing made in the manner provided in division (J) of section 3901.33 of the Revised Code that control does not exist in fact. The superintendent of insurance may determine, after furnishing all persons in interest notice and opportunity to be heard and making specific findings of fact to support such determination, that control exists in fact, notwithstanding the absence of a presumption to that effect.

(C) "Enterprise risk" means any activity, circumstance, event, or series of events involving one or more affiliates of an insurer that, if not remedied promptly, is likely to have a materially adverse effect on the financial condition or liquidity of the insurer or its insurance holding company system as a whole. "Enterprise risk" includes anything that would cause the insurer's risk-based capital to fall into company action level as set forth in section 3903.83 of the Revised Code or would cause the insurer to be in a hazardous financial condition.

(D) "Group capital calculation instructions" means the group capital calculation instructions, as adopted by the national association of insurance commissioners and as amended by the national association of insurance commissioners from time to time in accordance with the procedures adopted by the national association of insurance commissioners.

(E) "Group-wide supervisor" means the regulatory official who is authorized by the superintendent to conduct and coordinate group-wide supervision of an internationally active insurance group and who is determined by the superintendent pursuant to division (A) of section 3901.352 of the Revised Code to have sufficient contacts with the internationally active insurance group.

~~(F)~~ (F) "Insurance holding company system" means two or more affiliated persons, one or more of which is an insurer.

~~(G)~~ (G) "Insurer" means any person engaged in the business of insurance, guaranty, or membership, an inter-insurance exchange, a mutual or fraternal benefit society, or a health insuring corporation. "Insurer" does not include any agency, authority, or instrumentality of the United States, its possessions and territories, the Commonwealth of Puerto Rico, the District of Columbia, or a state or political subdivision of a state.

~~(H)~~ (H) "Internationally active insurance group" means an insurance holding company system that includes an insurer registered under section 3901.33 of the Revised Code and that meets all of the following criteria:

(1) Insurers that are part of the insurance holding company system write premiums in at least three countries.

(2) The percentage of gross premiums written outside the United States by the insurance holding company system is at least ten per cent of the system's total gross written premiums.

(3) Based on a three-year rolling average, either the total assets of the insurance holding company system are at least fifty billion dollars, or the total gross written premiums of the insurance holding company system are at least ten billion dollars.

~~(I)~~ (I)(1) "Liquidity stress test framework" means a separate national association of insurance commissioners publication which includes all of the following:

(a) A history of the national association of insurance commissioners' development of regulatory liquidity stress testing;

(b) The scope criteria applicable for a specific data year;

(c) The liquidity stress test instructions and reporting templates for a specific data year.

(2) Such scope criteria, instructions, and reporting templates shall be those adopted by the national association of insurance commissioners and as amended by the national association of insurance commissioners from time to time in accordance with the procedures adopted by the national association of insurance commissioners.

(J) "Person" means an individual, a corporation, a partnership, an association, a joint stock company, a trust, an unincorporated organization, any similar entity, or any combination of the foregoing acting in concert.

(I)-(K) "Scope criteria" means the designated exposure bases, along with minimum magnitudes thereof for the specified data year, used to establish a preliminary list of insurers considered scoped into the national association of insurance commissioners liquidity stress test framework for that data year.

(L) "Subsidiary" of a specified person is an affiliate controlled by such person, directly or indirectly, through one or more intermediaries.

(J)-(M) "Voting security" includes any security convertible into or evidencing a right to acquire a voting security.

Sec. 3901.33. (A) Every insurer that is authorized to do business in this state and that is a member of an insurance holding company system shall register with the superintendent of insurance, except a foreign insurer subject to disclosure requirements and standards adopted by statute or regulation in the jurisdiction of its domicile that are substantially similar to those contained in this section and section 3901.341 of the Revised Code. Every insurer that is subject to registration under this section shall register initially not later than thirty days after it becomes subject to registration, unless the superintendent for good cause shown extends the time for registration, and then within the extended time, and every such insurer shall register annually after its initial registration. The superintendent may require any authorized insurer that is a member of a holding company system that is not subject to registration under this section to furnish a copy of the registration statement or other information filed by the insurance company with the insurance regulatory authority of domiciliary jurisdiction.

(B) Every insurer subject to registration shall file a registration statement with the superintendent on a form and in a format provided by the superintendent, which shall contain current information about all of the following:

(1) The capital structure, general financial condition, ownership, and management of the insurer and any person controlling the insurer;

(2) The identity of every member of the insurance holding company system;

(3) The following agreements in force, relationships subsisting, and transactions currently outstanding between the insurer and its affiliates:

(a) Loans, other investments, or purchases, sales or exchanges of securities of the affiliates by the insurer or of the insurer by its affiliates;

(b) Purchases, sales, or exchanges of assets;

(c) Transactions not in the ordinary course of business;

(d) Guarantees or undertakings for the benefit of an affiliate that result in an actual contingent exposure of the insurer's assets to liability, other than insurance contracts entered into in the ordinary

course of the insurer's business;

- (e) All management and service contracts and all cost-sharing arrangements;
- (f) Reinsurance agreements;
- (g) Dividends and other distributions to shareholders;
- (h) Consolidated tax allocation agreements.

(4) Any pledge of the insurer's stock, including stock of any subsidiary or controlling affiliate, for a loan made to any member of the insurance holding company system;

(5) If requested by the superintendent, financial statements of an insurance holding company system, including all affiliates. Financial statements may include annual audited financial statements filed with the United States securities and exchange commission pursuant to the "Securities Act of 1933," 48 Stat. 74, 15 U.S.C. 77a, or the "Securities Exchange Act of 1934," 48 Stat. 881, 15 U.S.C. 78a. The insurer may satisfy the request by providing the superintendent with the most recently filed parent corporation financial statements that have been filed with the securities and exchange commission.

(6) Other matters concerning transactions between registered insurers and any affiliates as may be included from time to time in any registration forms adopted or approved by the superintendent;

(7) Statements that the insurer's or its ultimate controlling person's board of directors oversees corporate governance and internal controls and that the insurer's or its ultimate controlling person's officers or senior management have approved, implemented, and continue to maintain and monitor corporate governance and internal control procedures;

- (8) Any other information required by the superintendent by rule or regulation.

(C) Each registration statement filed pursuant to division (B) of this section shall summarize the information that has changed from the prior registration statement filed pursuant to that division.

(D) No information need be disclosed on the registration statement filed pursuant to division (B) of this section if the information is not material for the purposes of this section. Unless the superintendent by rule, regulation, or order provides otherwise, sales, purchases, exchanges, loans or extensions of credit, or investments involving one-half of one per cent or less of an insurer's admitted assets as of the thirty-first day of December next preceding shall not be deemed material for the purposes of this section. The definition of materiality provided in this division shall not apply for purposes of the group capital calculation or the liquidity stress test framework.

(E) Each registered insurer shall keep current the information required to be disclosed in its registration statement by reporting all material changes or additions on amendment forms provided by the superintendent within fifteen days after the end of the month in which it learns of each change or addition.

(F) The superintendent shall terminate the registration of any insurer that demonstrates that it no longer is a member of an insurance holding company system.

(G) The superintendent may require or allow two or more affiliated insurers subject to registration under this section to file a consolidated registration statement or consolidated reports amending their consolidated registration statement or their individual registration statements.

(H) The superintendent may allow an insurer that is authorized to do business in this state and that is part of an insurance holding company system to register on behalf of any affiliated insurer that

is required to register under division (A) of this section and to file all information and material required to be filed under this section.

(I) This section does not apply to any insurer, information, or transaction if and to the extent that the superintendent by rule, regulation, or order exempts it from this section.

(J) Any person may file with the superintendent a disclaimer of affiliation with any authorized insurer or such a disclaimer may be filed by the insurer or any member of an insurance holding company system. The disclaimer shall fully disclose all material relationships and bases for affiliation between the person and the insurer as well as the basis for disclaiming the affiliation. After a disclaimer has been filed, the insurer shall be relieved of any duty to register or report under this section which may arise out of the insurer's relationship with the person unless and until the superintendent disallows the disclaimer. The superintendent shall disallow such a disclaimer only in the manner provided in Chapter 119. of the Revised Code.

(K) The ultimate controlling person of every insurer subject to registration under this section also shall file an annual enterprise risk report. The report shall be appropriate to the nature, scale, and complexity of the operations of the insurance holding company system and shall, to the best of the ultimate controlling person's knowledge and belief, identify the material risks within the insurance holding company system that could pose enterprise risk to the insurer. The ultimate controlling person shall file the report with the lead state commissioner of the insurance holding company system as determined by the procedures within the financial analysis handbook adopted by the national association of insurance commissioners.

(L)(1)(a) Except as provided below, the ultimate controlling person of every insurer subject to registration shall annually file a group capital calculation as directed by the lead state commissioner. This filing is required not later than June 1, 2023, and on or before the first day of June each year thereafter.

(b) The filing requirements prescribed under division (L) of this section shall not be required by the superintendent prior to June 1, 2023. However, the superintendent may permit filing prior to that date.

(2) The report shall be completed in accordance with the national association of insurance commissioners group capital calculation instructions, which may permit the lead state commissioner to allow a controlling person that is not the ultimate controlling person to file the group capital calculation.

(3) The report shall be filed with the lead state commissioner of the insurance holding company system as determined by the superintendent of insurance in accordance with the procedures within the financial analysis handbook adopted by the national association of insurance commissioners.

(4) Insurance holding company systems described below are exempt from filing the group capital calculation:

(a) An insurance holding company system that has only one insurer within its holding company structure, that only writes business, and is only licensed, in its domestic state, and assumes no business from any other insurer;

(b)(i) An insurance holding company system that is required to perform a group capital calculation specified by the United States federal reserve board.

(ii) The lead state commissioner shall request the calculation from the federal reserve board under the terms of information sharing agreements in effect.

(iii) If the federal reserve board cannot share the calculation with the lead state commissioner, the insurance holding company system is not exempt from the group capital calculation filing.

(c) An insurance holding company system whose non-U.S., group-wide supervisor is located within a reciprocal jurisdiction, as described in section 3901.62 of the Revised Code, that recognizes the United States state regulatory approach to group supervision and group capital:

(d) An insurance holding company system that meets both of the following:

(i) The insurance holding company provides information to the lead state that meets the requirements for accreditation under the national association of insurance commissioners financial standards and accreditation program, either directly or indirectly through the group-wide supervisor, who has determined such information is satisfactory to allow the lead state to comply with the national association of insurance commissioners group supervision approach, as detailed in the national association of insurance commissioners financial analysis handbook.

(ii) The insurance holding company has a non-United States group-wide supervisor that is not in a reciprocal jurisdiction that recognizes and accepts, as specified by the superintendent in rule, the group capital calculation as the world-wide group capital assessment for United States insurance groups who operate in that jurisdiction.

(5) Notwithstanding the provisions of divisions (L)(4)(c) and (d) of this section, a lead state commissioner shall require the group capital calculation for United States operations of any non-United States based insurance holding company system where, after any necessary consultation with other supervisors or officials, it is deemed appropriate by the lead state commissioner for prudential oversight and solvency monitoring purposes or for ensuring the competitiveness of the insurance marketplace.

(6) Notwithstanding the exemptions from filing the group capital calculation stated in divisions (L)(4)(a) to (d) of this section, the lead state commissioner has the discretion to exempt the ultimate controlling person from filing the annual group capital calculation or to accept a limited group capital filing or report in accordance with criteria as specified by the superintendent in rule.

(7) If the lead state commissioner determines that an insurance holding company system no longer meets one or more of the requirements for an exemption from filing the group capital calculation under this section, the insurance holding company system shall file the group capital calculation at the next annual filing date unless given an extension by the lead state commissioner based on reasonable grounds shown.

(8) Until June 1, 2025, an insurance holding company system that does not write business outside the United States is not required to file a group capital calculation.

(M)(1) The ultimate controlling person of every insurer subject to registration and also scoped into the national association of insurance commissioners liquidity stress test framework shall file the results of a specific year's liquidity stress test.

(2) The filing shall be made to the lead state insurance commissioner of the insurance holding company system as determined by the procedures within the financial analysis handbook adopted by the national association of insurance commissioners.

(3)(a) The national association of insurance commissioners liquidity stress test framework

includes scope criteria applicable to a specific data year. These scope criteria are reviewed at least annually by the financial stability task force or its successor.

(b) Any change to the national association of insurance commissioners liquidity stress test framework or to the data year for which the scope criteria are to be measured shall be effective on January 1 of the year following the calendar year when such changes are adopted.

(c) Insurers meeting at least one threshold of the scope criteria are considered scoped into the national association of insurance commissioners liquidity stress test framework for the specified data year unless the lead state insurance commissioner, in consultation with the national association of insurance commissioners financial stability task force or its successor, determines the insurer should not be scoped into the framework for that data year.

(d) Insurers that do not trigger at least one threshold of the scope criteria are considered scoped out of the national association of insurance commissioners liquidity stress test framework for the specified data year, unless the lead state insurance commissioner, in consultation with the national association of insurance commissioners financial stability task force or its successor, determines the insurer should be scoped into the framework for that data year.

(e) Regulators wish to avoid having insurers scoped in and out of the national association of insurance commissioners liquidity stress test framework on a frequent basis. The lead state insurance commissioner, in consultation with the financial stability task force or its successor, will assess this concern as part of the determination for an insurer.

(f) The performance of, and filing of the results from, a specific year's liquidity stress test shall comply with the national association of insurance commissioners liquidity stress test framework's instructions and reporting templates for that year and any lead state insurance commissioner determinations, in consultation with the financial stability task force or its successor, provided within the framework.

(N) The failure to file any registration statement or any amendment thereto or enterprise risk report required by this section within the time specified for the filing is a violation of this section.

Sec. 3901.34. (A) Transactions within an insurance holding company system to which an insurer subject to registration is a party shall be subject to the following standards:

(1) The terms shall be fair and reasonable.

(2) Charges or fees for services performed shall be reasonable.

(3) Expenses incurred and payment received shall be allocated to the insurer in conformity with customary insurance accounting practices that are consistently applied.

(4) The books, accounts, and records of each party shall be so maintained as to clearly and accurately disclose the precise nature and details of the transactions including such accounting information as is necessary to support the reasonableness of the charges or fees to the respective parties.

(5) The insurer's surplus as regards policyholders following any dividends or distributions to shareholder affiliates shall be reasonable in relation to the insurer's outstanding liabilities and adequate to its financial needs.

(6) Agreements for cost-sharing services and management services shall include such provisions as required by the superintendent of insurance in rule or regulation.

(7) If an insurer subject to sections 3901.32 to 3901.37 of the Revised Code is deemed by the

superintendent to be in a hazardous financial condition or a condition that would be grounds for supervision, conservation, or a delinquency proceeding, then the superintendent may require the insurer to secure and maintain either a deposit, held by the superintendent, or a bond, as determined by the insurer at the insurer's discretion, for the protection of the insurer for the duration of the contract or agreement, or the existence of the condition for which the superintendent required the deposit or the bond.

(8) In determining whether a deposit or a bond is required, the superintendent may consider whether concerns exist with respect to the affiliated person's ability to fulfill the contract or agreement if the insurer were to be put into liquidation. Once the insurer is deemed to be in a hazardous financial condition or a condition that would be grounds for supervision, conservation or a delinquency proceeding, and a deposit or bond is necessary, the superintendent has discretion to determine the amount of the deposit or bond, not to exceed the value of the contract or agreement in any one year, and whether such deposit or bond shall be required for a single contract, multiple contracts, or a contract only with a specific person or persons;

(9)(a) All records and data of the insurer held by an affiliate are and remain the property of the insurer, are subject to control of the insurer, are identifiable, and are segregated or readily capable of segregation, at no additional cost to the insurer, from all other persons' records and data. This includes all records and data that are otherwise the property of the insurer, in whatever form maintained, including:

(i) Claims and claim files;

(ii) Policyholder lists;

(iii) Application files;

(iv) Litigation files;

(v) Premium records;

(vi) Rate books;

(vii) Underwriting manuals;

(viii) Personnel records;

(ix) Financial records or similar records within the possession, custody, or control of the affiliate.

(b) At the request of the insurer, the affiliate shall provide that the receiver can:

(i) Obtain a complete set of all records of any type that pertain to the insurer's business;

(ii) Obtain access to the operating systems on which the data is maintained;

(iii) Obtain the software that runs those systems either through assumption of licensing agreements or otherwise;

(iv) Restrict the use of the data by the affiliate if it is not operating the insurer's business.

(c) The affiliate shall provide a waiver of any landlord lien or other encumbrance to give the insurer access to all records and data in the event of the affiliate's default under a lease or other agreement.

(10) Premiums or other funds belonging to the insurer that are collected by or held by an affiliate are the exclusive property of the insurer and are subject to the control of the insurer. Any right of offset in the event an insurer is placed into receivership is subject to Chapter 3903. of the Revised Code.



(B) For the purposes of this section, in determining whether an insurer's surplus as regards policyholders is reasonable in relation to the insurer's outstanding liabilities and adequate to its financial needs, the following factors, among others, may be considered:

- (1) The size of the insurer as measured by its assets, capital, surplus, reserves, premium writings, insurance in force, and other appropriate criteria;
- (2) The extent to which the insurer's business is diversified among the several lines of insurance;
- (3) The number and size of risks insured in each line of business;
- (4) The extent of the geographical dispersion of the insurer's insured risks;
- (5) The nature and extent of the insurer's reinsurance program;
- (6) The quality, diversification, and liquidity of the insurer's investment portfolio;
- (7) The recent past and projected future trend in the size of the insurer's surplus as regards policyholders;
- (8) The adequacy of the insurer's reserves;
- (9) The quality and liquidity of investments in subsidiaries. The superintendent may discount any such investment or treat any investment as a nonadmitted asset for purposes of determining the adequacy of surplus as regards policyholders whenever the investment so warrants.
- (10) The quality of the insurer's earnings and the extent to which the reported earnings include extraordinary items;
- (11) The surplus as regards policyholders maintained by other comparable insurers in respect of the factors enumerated in this division.

(C) No insurer subject to registration under section 3901.33 of the Revised Code shall pay any extraordinary dividend or make any other extraordinary distribution to its shareholders and the declaration of any such dividend or distribution shall be conditional and shall confer no rights upon shareholders until thirty days after the superintendent has received notice of the declaration thereof and has not within the thirty-day period disapproved the dividend or distribution, or the superintendent has approved the dividend or distribution within the thirty-day period.

Prior to paying any dividend or distribution, the insurer shall notify the superintendent on a form provided by the superintendent for informational purposes within five business days following its declaration of any dividend or distribution and at least ten calendar days prior to payment of such dividend or distribution, such ten-calendar-day period to be measured from the date of the superintendent's receipt of the notice.

For the purposes of this section, an extraordinary dividend or distribution includes any dividend or distribution of cash or other property, whose fair market value, together with that of other dividends or distributions made within the preceding twelve months, exceeds the greater of ten per cent of the insurer's surplus as regards policyholders as of the thirty-first day of December next preceding, or the net income of the insurer for the twelve-month period ending the thirty-first day of December next preceding, but shall not include pro rata distributions of any class of the insurer's own securities.

Any dividend or distribution paid from other than earned surplus shall be considered an extraordinary dividend or extraordinary distribution. For the purposes of this section, "earned surplus" means an amount equal to an insurer's unassigned funds as set forth in its most recent

statutory financial statement submitted to the superintendent, including net unrealized capital gains and losses or revaluation of assets.

Sec. 3901.341. (A) No insurer subject to registration under section 3901.33 of the Revised Code shall enter into any of the following transactions with any person in its insurance holding company system, including amendments or modifications of affiliate agreements previously filed under this section that are subject to the materiality standards contained in divisions (A)(1) to (5) of this section, until thirty days after the superintendent of insurance has received, for the superintendent's review, written notice of the insurer's intention to enter into the transaction and if, during that period, the superintendent has not disapproved the proposed transaction. The notice for amendments or modifications shall include the reasons for the change and the financial impact on the domestic insurer. Informal notice shall be reported to the superintendent within thirty days after termination of a previously filed agreement. These requirements shall apply to all of the following transactions:

(1) Any sale, purchase, exchange of assets, loan, extension of credit, guarantee, or investment, if the transaction equals or exceeds, with respect to insurers other than life insurers, the lesser of three per cent of the insurer's admitted assets as of the thirty-first day of December next preceding or twenty-five per cent of the insurer's surplus as regards policyholders as of the thirty-first day of December next preceding or, with respect to life insurers, three per cent of the insurer's admitted assets as of the thirty-first day of December next preceding;

(2) Any loan or extension of credit to any person that is not an affiliate of the insurer, if both of the following apply:

(a) The loan or extension of credit equals or exceeds, with respect to insurers other than life insurers, the lesser of three per cent of the insurer's admitted assets as of the thirty-first day of December next preceding or twenty-five per cent of the insurer's surplus as regards policyholders as of the thirty-first day of December next preceding or, with respect to life insurers, three per cent of the insurer's admitted assets as of the thirty-first day of December next preceding.

(b) The insurer makes the loan or extends the credit with an agreement or understanding that the proceeds of the transaction, in whole or in substantial part, are to be used to make loans or extend credit to, to purchase assets of, or to make investments in, any affiliate of the insurer.

(3) Reinsurance agreements or modifications including all of the following:

(a) All new reinsurance pooling agreements;

(b) All reinsurance pooling agreements in which a domestic company is newly added;

(c) Agreements in which the reinsurance premium or the change in the insurer's liabilities, or the projected reinsurance premium or a change in the insurer's liabilities in any of the next three years, equals or exceeds five per cent of the insurer's surplus as regards policyholders as of the thirty-first day of December next preceding.

Division (A)(3) of this section also applies to reinsurance agreements that may require as consideration the transfer of assets from an insurer to a nonaffiliate, if the insurer and nonaffiliate have an agreement or understanding that any portion of the assets will be transferred to one or more affiliates of the insurer.

(4) All management agreements, service contracts, tax allocations agreements, and cost-sharing arrangements;

(5) Any other material transaction that the superintendent, pursuant to rules adopted in accordance with Chapter 119. of the Revised Code, determines may render the insurer's surplus as regards policyholders unreasonable in relation to the insurer's outstanding liabilities and inadequate to its financial needs.

(B) In reviewing transactions under division (A) of this section, the superintendent shall consider whether the terms of the transaction are fair and reasonable and whether the transaction may adversely affect the interests of policyholders.

(C) Any transaction or agreement described in division (A) of this section that is not disapproved by the superintendent in accordance with that division is effective as of the effective date set forth in the notice required under this section.

(D) The superintendent, pursuant to rules adopted in accordance with Chapter 119. of the Revised Code, may designate certain types of transactions that need not be submitted for review under division (A) of this section, if those transactions would not have a significant impact on the financial condition of an insurer.

(E) A domestic insurer shall not enter into any transaction described in division (A) of this section with members of its insurance holding company system if the transaction is part of a plan or series of similar transactions and if the purpose of entering into the separate transactions is to avoid the review required under division (A) of this section that would otherwise occur. If the superintendent determines that the insurer, within a twelve-month period, entered into those separate transactions for that purpose, the superintendent may take any action authorized by section 3901.37 of the Revised Code.

(F) A domestic insurer shall give written notice to the superintendent, within thirty days after making an investment, if the investment is made in a corporation and the total investment in the corporation by the insurance holding company system exceeds ten per cent of the voting securities of the corporation.

(G) Any affiliate that is party to an agreement or contract with a domestic insurer that is subject to division (A)(4) of this section shall be subject to the jurisdiction of any supervision, seizure, conservatorship, or receivership proceedings against the insurer and to the authority of any supervisor, conservator, rehabilitator, or liquidator for the insurer appointed pursuant to Chapter 3903. of the Revised Code for the purpose of interpreting, enforcing, and overseeing the affiliate's obligations under the agreement or contract to perform services for the insurer that are either of the following:

(1) An integral part of the insurer's operations, including management, administrative, accounting, data processing, marketing, underwriting, claims handling, investment, or any other similar functions;

(2) Essential to the insurer's ability to fulfill its obligations under insurance policies.

(H) Nothing in division (A) of this section shall be construed to authorize or permit any transaction that would otherwise be contrary to law.

Sec. 3901.36. (A)(1) Documents, materials, or other information in the possession or control of the department of insurance that are obtained by or disclosed to the superintendent of insurance or any other person in the course of an examination or investigation made pursuant to section 3901.35 of the Revised Code and all information reported pursuant to section 3901.33 of the Revised Code

are recognized by this state as being proprietary and to contain trade secrets and shall be given confidential and privileged treatment and shall not be subject to section 149.43 of the Revised Code, subpoena, or discovery, and shall not be admissible in evidence in any private civil action. The superintendent shall not make the documents, materials, or other information public unless one of the following applies:

~~(1)(a)~~ The superintendent uses the documents, materials, or other information in furtherance of any regulatory or legal action brought as a part of the superintendent's official duties.

~~(2)(b)~~ The superintendent has obtained the prior written consent of the insurer pertaining to the disclosure of the documents, materials, or other information of the insurer.

~~(3)(c)~~ The superintendent, after giving the insurer and those affiliates that are the subject of the documents, materials, or other information notice and an opportunity to be heard in accordance with Chapter 119. of the Revised Code, determines that the interests of policyholders, shareholders, or the public will be served by the disclosure, in which case the superintendent may make disclosures as the superintendent considers appropriate.

(2) For purposes of the information reported and provided to the superintendent of insurance pursuant to the group capital calculation requirements prescribed in division (L) of section 3901.33 of the Revised Code, the superintendent shall maintain the confidentiality of the group capital calculation and group capital ratio produced within the calculation and any group capital information received from an insurance holding company supervised by the United States federal reserve board or any United States group-wide supervisor.

(3) For purposes of the information reported and provided to the superintendent of insurance pursuant to the liquidity stress test requirements prescribed in division (M) of section 3901.33 of the Revised Code, the superintendent shall maintain the confidentiality of the liquidity stress test results and supporting disclosures and any liquidity stress test information received from an insurance holding company supervised by the United States federal reserve board and non-United States group-wide supervisors.

(B) Neither the superintendent nor any person who receives documents, materials, or other information while acting under the authority of the superintendent or with whom such documents, materials, or other information are shared pursuant to this section shall be permitted or required to testify in any private civil action concerning any confidential documents, materials, or information subject to division (A) of this section.

(C) In order to assist in the performance of the superintendent's duties under this section, the superintendent may do either of the following:

(1) Share documents, materials, or other information, including the confidential and privileged documents, materials, or other information subject to division (A) of this section, including proprietary and trade secret documents and materials, with other local, state, federal, and international regulatory and law enforcement agencies, with the national association of insurance commissioners ~~and its affiliates and subsidiaries~~, with third-party consultants designated by the superintendent, and with members of any supervisory college described in section 3901.351 of the Revised Code, provided that the recipient agrees to maintain the confidential or privileged status of the confidential or privileged documents, materials, or other information and has verified in writing the legal authority to do so. The superintendent may share confidential and privileged documents,

materials, or other information reported pursuant to section 3901.33 of the Revised Code only with superintendents of states having statutes or regulations substantially similar to division (A) of this section and who have agreed in writing not to disclose such information.

(2) Receive documents, materials, or information, including otherwise confidential and privileged documents, materials, or information, including proprietary and trade-secret information, from the national association of insurance commissioners and its affiliates and subsidiaries and from regulatory and law enforcement officials of other foreign or domestic jurisdictions. The superintendent shall maintain as confidential or privileged any such document, material, or information received with notice or the understanding that it is confidential or privileged under the laws of the jurisdiction that is the source of the document, material, or information.

(D) The superintendent shall enter into written agreements with the national association of insurance commissioners, and any third-party consultant designated by the superintendent, governing sharing and use of information provided pursuant to sections 3901.32 to 3901.37 of the Revised Code consistent with division (C) of this section. The written agreements shall do all of the following:

(1) Specify procedures and protocols regarding the confidentiality and security of information shared with the national association of insurance commissioners ~~and its affiliates and subsidiaries or a third-party consultant designated by the superintendent~~ pursuant to sections 3901.32 to 3901.37 of the Revised Code, including procedures and protocols for sharing by the national association of insurance commissioners with other state, federal, or international regulators; The agreement shall provide that the recipient agrees in writing to maintain the confidentiality and privileged status of the documents, materials, or other information and has verified in writing the legal authority to maintain such confidentiality.

(2) Specify that ownership of information shared with the national association of insurance commissioners ~~and its affiliates and subsidiaries or a third-party consultant~~ pursuant to sections 3901.32 to 3901.37 of the Revised Code remains with the superintendent and the national association of insurance commissioners' ~~or a third-party consultant's~~, as designated by the superintendent, use of the information is subject to the direction of the superintendent;

(3)(a) Prohibit the national association of insurance commissioners or third-party consultant designated by the superintendent from storing the information shared pursuant to this section in a permanent database after the underlying analysis is completed;

(b) Division (D)(3)(a) of this section does not apply to documents, material, or information reported pursuant to the liquidity stress test requirements prescribed in division (M) of section 3901.33 of the Revised Code.

(4) Require prompt notice to be given to an insurer whose confidential information is in the possession of the national association of insurance commissioners ~~or its affiliates or subsidiaries and or a third-party consultant designated by the superintendent~~ pursuant to this section is subject to a request or subpoena to the national association of insurance commissioners or a third-party consultant designated by the superintendent for disclosure or production;

~~(4)-(5)~~ Require the national association of insurance commissioners ~~and its affiliates and subsidiaries or a third-party consultant designated by the superintendent~~ to consent to intervention by an insurer in any judicial or administrative action in which the national association of insurance commissioners ~~and its affiliates and subsidiaries or a third-party consultant designated by the~~

superintendent may be required to disclose confidential information about the insurer shared with the national association of insurance commissioners ~~and its affiliates and subsidiaries~~ or a third-party consultant pursuant to sections 3901.32 to 3901.37 of the Revised Code;

(6) For documents, material, or information reporting pursuant to the liquidity stress test requirements prescribed in division (M) of section 3901.33 of the Revised Code, in the case of an agreement involving a third-party consultant, provide for notification of the identity of the consultant to the applicable insurers.

(E) The sharing of information by the superintendent pursuant to sections 3901.32 to 3901.37 of the Revised Code shall not constitute a delegation of regulatory or rule-making authority. The superintendent is solely responsible for the administration, execution, and enforcement of the provisions of sections 3901.32 to 3901.37 of the Revised Code.

(F) No waiver of any applicable privilege or claim of confidentiality in the documents, materials, or other information described in this section shall occur as a result of sharing or receiving documents and information as authorized in division (C) of this section.

(G) Documents, materials, or other information in the possession or control of the national association of insurance commissioners or a third-party consultant designated by the superintendent pursuant to this section shall be given confidential and privileged treatment and shall not be subject to section 149.43 of the Revised Code, subpoena, or discovery, and shall not be admissible in evidence in any private civil action.

(H) The group capital calculation and resulting group capital ratio required under division (L) of section 3901.33 of the Revised Code and the liquidity stress test along with its results and supporting disclosures required under division (M) of section 3901.33 of the Revised Code are regulatory tools for assessing group risks and capital adequacy and group liquidity risks, respectively, and are not intended as a means to rank insurers or insurance holding company systems generally.

Therefore, except as otherwise may be required under the provisions of sections 3901.31 to 3901.37 of the Revised Code, the making, publishing, disseminating, circulating, or placing before the public, or causing directly or indirectly to be made, published, disseminated, circulated, or placed before the public in a newspaper, magazine or other publication, or in the form of a notice, circular, pamphlet, letter, or poster, or over any radio or television station or any electronic means of communication available to the public, or in any other way as an advertisement, announcement, or statement containing a representation or statement with regard to the group capital calculation, group capital ratio, the liquidity stress test results, or supporting disclosures for the liquidity stress test of any insurer or any insurer group, or of any component derived in the calculation by any insurer, broker, or other person engaged in any manner in the insurance business would be misleading and is therefore prohibited; provided, however, that if any materially false statement with respect to the group capital calculation, resulting group capital ratio, an inappropriate comparison of any amount to an insurer's or insurance group's group capital calculation or resulting group capital ratio, liquidity stress test result, supporting disclosures for the liquidity stress test, or an inappropriate comparison of any amount to an insurer's or insurance group's liquidity stress test result or supporting disclosures is published in any written publication and the insurer is able to demonstrate to the superintendent with substantial proof the falsity of such statement or the inappropriateness, as the case may be, then the insurer may publish announcements in a written publication if the sole purpose of the announcement

is to rebut the materially false statement.

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

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

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

~~(b)(ii)~~ An additional line of authority under an existing resident insurance agent license if a criminal records check has not been obtained within the last twelve months for insurance license purposes.

(b) "Applicant" includes a natural person who is the president, secretary, treasurer, or other officer or person who directs or controls the insurance operations of a limited lines travel agent that is a business entity, as described in section 3905.066 of the Revised Code.

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

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

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

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

(E) The superintendent may receive criminal record information directly in lieu of the bureau of criminal identification and investigation that submitted the fingerprints to the federal bureau of investigation.

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

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

Sec. 3905.06. (A)(1) The superintendent of insurance shall issue a resident insurance agent license to an individual applicant whose home state is Ohio upon submission of a completed application and payment of any applicable fee required under this chapter, if the superintendent finds all of the following:

(a) The applicant is at least eighteen years of age.

(b) The applicant has not committed any act that is a ground for the denial, suspension, or

revocation of a license under section 3905.14 of the Revised Code.

(c) If required under section 3905.04 of the Revised Code, the applicant has completed a program of insurance education for each line of authority for which the applicant has applied.

(d) If required under section 3905.04 of the Revised Code, the applicant has passed an examination for each line of authority for which the applicant has applied.

(e) Any applicant applying for variable life-variable annuity line of authority is registered with the financial industry regulatory authority (FINRA) as a registered representative after having passed at least one of the following examinations administered by the FINRA: the series 6 examination, the series 7 examination, the series 63 examination, the series 66 examination, or any other FINRA examination approved by the superintendent.

(f) If required under section 3905.051 of the Revised Code, the applicant has consented to a criminal records check and the results of the applicant's criminal records check are determined to be satisfactory by the superintendent in accordance with section 9.79 of the Revised Code.

(g) The applicant is a United States citizen or has provided proof of having legal authorization to work in the United States.

(h) The applicant is honest and trustworthy and is otherwise suitable to be licensed.

(2) The superintendent shall issue a resident insurance agent license to a business entity applicant upon submission of a completed application and payment of any applicable fees required under this chapter if the superintendent finds all of the following:

(a) Except as provided under division (C)(2) of section 3905.062 or division (C)(2) of section 3905.063 of the Revised Code, the applicant either is domiciled in Ohio or maintains its principal place of business in Ohio.

(b) The applicant has designated a licensed insurance agent who will be responsible for the applicant's compliance with the insurance laws of this state.

(c) The applicant has not committed any act that is a ground for the denial, suspension, or revocation of a license under section 3905.14 of the Revised Code.

(d) Any applicant applying for a portable electronics insurance license line of authority satisfies the requirements of division (C)(1) of section 3905.062 of the Revised Code or any applicant applying for a self-service storage insurance license line of authority satisfies the requirements of division (C)(1) of section 3905.063 of the Revised Code.

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

(B) An insurance agent license issued pursuant to division (A) of this section shall state the licensee's name, the license number, the date of issuance, the date the license expires, the line or lines of authority for which the licensee is qualified, and any other information the superintendent deems necessary.

A licensee may be qualified for any of the following lines of authority:

(1) Life, which is insurance coverage on human lives, including benefits of endowment and annuities, and may include benefits in the event of death or dismemberment by accident and benefits for disability income;

(2) Accident and health, which is insurance coverage for sickness, bodily injury, or accidental death, and may include benefits for disability income;

(3) Property, which is insurance coverage for the direct or consequential loss or damage to



property of any kind;

(4) Casualty, which is insurance coverage against legal liability, including coverage for death, injury, or disability or damage to real or personal property;

(5) Personal lines, which is property and casualty insurance coverage sold to individuals and families for noncommercial purposes;

(6) Variable life and variable annuity products, which is insurance coverage provided under variable life insurance contracts and variable annuities;

(7) Credit, which is limited line credit insurance;

(8) Title, which is insurance coverage against loss or damage suffered by reason of liens against, encumbrances upon, defects in, or the unmarketability of, real property;

(9) Surety bail bond, which is the authority set forth in sections 3905.83 to 3905.95 of the Revised Code;

(10) Portable electronics insurance, which is a limited line described in section 3905.062 of the Revised Code;

(11) Self-service storage insurance, which is a limited line described in section 3905.063 of the Revised Code;

(12) Travel insurance, which is a limited line described in ~~section~~sections 3905.064 to 3905.0611 of the Revised Code;

(13) Any other line of authority designated by the superintendent.

(C)(1) An individual seeking to renew a resident insurance agent license shall apply biennially for a renewal of the license on or before the last day of the licensee's birth month. A business entity seeking to renew a resident insurance agent license shall apply biennially for a renewal of the license on or before the date determined by the superintendent. The superintendent shall send a renewal notice to all licensees at least one month prior to the renewal date.

Applications shall be submitted to the superintendent on forms prescribed by the superintendent. Each application shall be accompanied by a biennial renewal fee. The superintendent also may require an applicant to submit any document reasonably necessary to verify the information contained in the renewal application.

(2) To be eligible for renewal, an individual applicant shall complete the continuing education requirements pursuant to section 3905.481 of the Revised Code prior to the renewal date.

(3) If an applicant submits a completed renewal application, qualifies for renewal pursuant to divisions (C)(1) and (2) of this section, and has not committed any act that is a ground for the refusal to issue, suspension of, or revocation of a license under section 3905.14 of the Revised Code, the superintendent shall renew the applicant's resident insurance agent license.

(D) If an individual or business entity does not apply for the renewal of the individual or business entity's license on or before the license renewal date specified in division (C)(1) of this section, the individual or business entity may submit a late renewal application along with all applicable fees required under this chapter prior to the first day of the second month following the license renewal date.

(E) A license issued under this section that is not renewed on or before its renewal date pursuant to division (C) of this section or its late renewal date pursuant to division (D) of this section automatically is suspended for nonrenewal on the first day of the second month following the

renewal date. If a license is suspended for nonrenewal pursuant to this division, the individual or business entity is eligible to apply for reinstatement of the license within the twelve-month period following the date by which the license should have been renewed by complying with the reinstatement procedure established by the superintendent and paying all applicable fees required under this chapter.

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

(G) An individual licensed as a resident insurance agent who is unable to comply with the license renewal procedures established under this section and who is unable to engage in the business of insurance due to military service, a long-term medical disability, or some other extenuating circumstance may request an extension of the renewal date of the individual's license. To be eligible for such an extension, the individual shall submit a written request with supporting documentation to the superintendent. At the superintendent's discretion, the superintendent may not consider a written request made after the renewal date of the license.

Sec. 3905.064. ~~(A)~~ As used in ~~this section~~ sections 3905.064 to 3905.0611 of the Revised Code:

(A) "Aggregator site" means a web site that provides access to information regarding insurance products from more than one insurer, including product and insurer information, for use in comparison shopping.

(B) "Blanket travel insurance" means a policy of travel insurance issued to any eligible group providing coverage for specific classes of persons defined in the policy with coverage provided to all members of the eligible group without a separate charge to individual members of the eligible group.

(C) "Cancellation fee waiver" means a contractual agreement between a supplier of travel services and its customer to waive some or all of the nonrefundable cancellation fee provisions of the supplier's underlying travel contract, with or without regard to the reason for the cancellation or form of reimbursement.

(D) "Eligible group" means, solely for the purposes of travel insurance, two or more persons who are engaged in a common enterprise, or have an economic, educational, or social affinity or relationship. "Eligible group" includes any of the following:

(1) Any entity engaged in the business of providing travel or travel services, including all of the following:

- (a) Tour operators;
- (b) Lodging providers;
- (c) Vacation property owners;
- (d) Hotels and resorts;
- (e) Travel clubs;
- (f) Travel agencies;
- (g) Property managers;
- (h) Cultural exchange programs;

(i) Common carriers or the operator, owner, or lessor of a means of transportation of passengers, including airlines, cruise lines, railroads, steamship companies, and public bus carriers that, with regard to any particular travel or type of travel or travelers, subjects all members or customers of the group to a common exposure to risk attendant to such travel;

(2) Any college, school, or other institution of learning, obtaining travel insurance covering students, teachers, employees, or volunteers;

(3) Any employer obtaining travel insurance coverage for any group of employees, volunteers, contractors, board of directors, dependents, or guests;

(4) Any sports team, camp, or sponsor thereof, obtaining travel insurance coverage for participants, members, campers, employees, officials, supervisors, or volunteers;

(5) Any religious, charitable, recreational, educational, or civic organization, or branch thereof, obtaining travel insurance coverage for any group of members, participants, or volunteers;

(6) Any financial institution or financial institution vendor, or parent holding company, trustee, or agent of, or designated by, one or more financial institutions or financial institution vendors, including account holders, credit card holders, debtors, guarantors, or purchasers;

(7) Any incorporated or unincorporated association, including labor unions, that have a common interest, constitution, and bylaws, and that are organized and maintained in good faith for purposes other than obtaining insurance for members or participants of such association covering its members;

(8) Any trust or the trustees of a fund established, created, or maintained for the benefit of and covering members, employees, or customers of one or more associations meeting the requirements of division (D)(7) of this section, subject to the superintendent's permitting the use of a trust and the state's premium tax provisions in section 3905.068 of the Revised Code;

(9) Any entertainment production company obtaining travel insurance coverage for any group of participants, volunteers, audience members, contestants, or workers;

(10) Any volunteer fire department, ambulance, rescue, police, or court, or any first aid, civil defense, or other such volunteer group;

(11) Preschools, day-care institutions for children or adults, and senior citizen clubs;

(12) Any automobile or truck rental or leasing company obtaining travel insurance coverage for a group of individuals who may become renters, lessees, or passengers, defined by their travel status, on the rented or leased vehicles;

(13) Any other group whose members the superintendent has determined are engaged in a common enterprise, or that have an economic, educational, or social affinity or relationship, if the superintendent also determines that issuance of the travel insurance policy would not be contrary to the public interest.

(E) "Fulfillment materials" means documentation sent to the purchaser of a travel protection plan confirming the purchase and providing the travel protection plan's coverage and assistance details.

(F) "Group travel insurance" means travel insurance issued to any eligible group.

(4)-(G) "Limited lines travel insurance agent" means an individual or business entity licensed to sell, solicit, or negotiate travel insurance under this section section 3905.065 of the Revised Code. "Limited lines travel insurance agent" includes a licensed insurance agent and a travel administrator.

(2)(H) "Offer and sell" means providing general information, including a description of the coverage and price, as well as processing the application and collecting premiums.

(I) "Primary certificate holder" means an individual person who elects and purchases travel insurance under a group policy.

(J) "Primary policyholder" means an individual person who elects and purchases individual travel insurance.

(K) "Travel administrator" means a person who directly or indirectly underwrites, collects charges, collateral, or premiums from, or adjusts or settles claims on residents of this state, in connection with travel insurance. The following persons shall not be considered a travel administrator if they engage in no other activities that would cause them to be considered a travel administrator:

(1) A person working for a travel administrator to the extent that the person's activities are subject to the supervision and control of the travel administrator;

(2) An insurance agent selling insurance or engaged in administrative and claims-related activities within the scope of the agent's license;

(3) A travel retailer offering and selling travel insurance and registered under the license of a limited-lines travel insurance agent in accordance with sections 3905.065 and 3905.066 of the Revised Code;

(4) An individual adjusting or settling claims in the normal course of that individual's practice or employment as an attorney at law and who does not collect charges or premiums in connection with insurance coverage;

(5) A business entity affiliated with a licensed insurer while that insurer is acting as a travel administrator for the direct and assumed insurance business of a separate affiliated insurer.

(L) "Travel assistance services" means noninsurance services for which the consumer is not indemnified based on a fortuitous event, and where providing the service does not result in transfer or shifting of risk that would constitute the business of insurance. "Travel assistance services" include all of the following:

(1) Security advisories;

(2) Destination information;

(3) Vaccination and immunization information services;

(4) Travel reservation services;

(5) Entertainment;

(6) Activity and event planning;

(7) Translation assistance;

(8) Emergency messaging;

(9) International legal and medical referrals;

(10) Medical case monitoring;

(11) Coordination of transportation arrangements;

(12) Emergency cash transfer assistance;

(13) Medical prescription replacement assistance;

(14) Passport and travel document replacement assistance;

(15) Lost luggage assistance;

(16) Concierge services;

(17) Any other service that is furnished in connection with planned travel.

(M)(1) "Travel insurance" means insurance coverage for personal risks incident to planned travel, including all of the following:

(a) Interruption or cancellation of a trip or event;

(b) Loss of baggage or personal effects;

(c) Damages to accommodations or rental vehicles;

(d) Sickness, accident, disability, or death occurring during travel;

(e) Emergency evacuation;

(f) Repatriation of remains;

(g) Any other contractual obligations to indemnify or pay a specified amount to the traveler upon determinable contingencies related to travel as approved by the superintendent of insurance.

(2) "Travel insurance" does not include major any of the following:

(a) Major medical plans that provide comprehensive medical protection for a traveler with a trip lasting six months or longer, including a plan covering a person working overseas as an expatriate or in a deployed military unit;

(b) Any other product that requires a specific insurance agent license;

(c) Travel assistance services;

(d) Cancellation fee waivers.

(3)-(N) "Travel insurer" means an insurer, as defined in section 3901.32 of the Revised Code, that provides travel insurance.

(O) "Travel protection plan" means a plan that provides one or more of the following: travel insurance, travel assistance services, and cancellation fee waivers.

(P) "Travel retailer" means a business entity that makes, arranges, or offers travel services, and that may offer or sell travel insurance as a service to its customers on behalf of, and under the direction of, a limited lines travel insurance agent in conjunction with the making, arranging, or offering of travel services.

~~(B) No person shall offer or sell travel insurance except as provided in this section.~~

~~(C) Notwithstanding any other provision of law, the superintendent of insurance may issue to an individual or business entity a limited lines travel insurance agent license that authorizes the holder of the license to sell, solicit, or negotiate travel insurance through a licensed insurer if both of the following requirements are met:~~

~~(1) The individual or business entity has submitted an application to the superintendent for the license on a form and in a manner prescribed by the superintendent.~~

~~(2) The individual or business entity has paid all fees applicable under this chapter.~~

~~(D)(1) At the time the superintendent of insurance issues a license under this section, the limited lines travel insurance agent shall establish and maintain on a form prescribed by the superintendent a register of each travel retailer that offers or sells travel insurance on the agent's behalf.~~

~~(2) The limited lines travel insurance agent shall submit the register to the department of insurance upon reasonable request, and shall certify that the registered travel retailer complies with 18 U.S.C. 1033.~~

~~(E) Notwithstanding any other provision of law, a travel retailer may offer and sell travel insurance under a limited lines travel insurance agent that is a business entity if all of the following conditions are met:~~

~~(1) The limited lines travel insurance agent or travel retailer provides all of the following information to purchasers of travel insurance at the time of sale or in the fulfillment materials provided to purchasers:~~

~~(a) A description of the material terms or the actual terms of the insurance coverage;~~

~~(b) A description of the process for filing a claim;~~

~~(c) A description of the review or cancellation process for the travel insurance policy;~~

~~(d) The identity and contact information of the insurer and limited lines travel insurance agent.~~

~~(2)(a) The limited lines travel insurance agent designates one of the agent's employees as the responsible insurance agent who is responsible for the limited lines travel insurance agent's compliance with the travel insurance laws and rules of this state. The designated responsible insurance agent must be a licensed insurance agent qualified in any of the following lines of authority in accordance with section 3905.06 of the Revised Code:~~

~~(i) Travel;~~

~~(ii) Property;~~

~~(iii) Personal.~~

~~(b) The responsible insurance agent shall comply with the fingerprinting requirements of section 3905.051 of the Revised Code or the applicable fingerprinting requirements of the home state of the limited lines travel insurance agent.~~

~~(3) The limited lines travel insurance agent business entity and the responsible insurance agent are responsible for the acts of the travel retailer and use reasonable means to ensure compliance with this section by the travel retailer.~~

~~(4)(a)(i) The limited lines travel insurance agent requires each employee and authorized representative of the travel retailer, whose duties include offering or selling travel insurance, to receive a program of instruction or training.~~

~~(ii) The training material shall, at minimum, contain instructions on the types of insurance offered, ethical sales practices, and required disclosures to prospective customers.~~

~~(b) The superintendent may review all training programs or materials at the superintendent's discretion.~~

~~(5) The travel retailer offers or sells the travel insurance only in conjunction with the making, arranging, or offering of travel services.~~

~~(F) A limited lines travel insurance agent, as well as any travel retailer and the retailer's employees that are registered under division (D) of this section, are exempt from any examination and education requirements as set forth in section 3905.04 of the Revised Code for purposes of this section only.~~

~~(G)(1) Any travel retailer offering or selling travel insurance shall make available to prospective purchasers brochures or other written materials that contain all of the following:~~

~~(a) The identity and contact information of the insurer and the limited lines travel insurance agent;~~

~~(b) An explanation that the purchase of travel insurance is not required in order to purchase any other product or service from the travel retailer;~~

~~(c) An explanation that an unlicensed travel retailer is permitted to provide general information about the insurance offered by the travel retailer, including a description of the coverage and price, but is not qualified or authorized to answer technical questions about the terms and conditions of the insurance offered by the travel retailer or to evaluate the adequacy of the customer's existing insurance coverage.~~

~~(2) A travel retailer's employee or authorized representative who is not licensed as an insurance agent shall not do any of the following:~~

~~(a) Evaluate or interpret the technical terms, benefits, and conditions of the offered travel insurance coverage;~~

~~(b) Evaluate or provide advice concerning a prospective purchaser's existing insurance coverage;~~

~~(c) Hold itself out as a licensed insurer, licensed agent, or insurance expert;~~

~~(d) Offer or sell travel insurance, unless the travel insurance is offered or sold in conjunction with and incidental to the sale of travel services.~~

~~(3) Notwithstanding any other provision of law, a travel retailer whose insurance-related activities, and those of its employees and authorized representatives, are limited to offering or selling travel insurance on behalf of and under the direction of a limited lines travel insurance agent that meets the requirements of this section, is authorized to offer and sell insurance and receive related compensation for these services, if the travel retailer is registered by the limited lines travel insurance agent as described in division (D) of this section. Any compensation paid to a travel retailer's employee or authorized representative for the services described in this section shall be incidental to the employee's or authorized representative's overall compensation and not based primarily on the number of customers who purchase travel insurance coverage.~~

~~(a) Nothing in this section shall be construed to prohibit payment of compensation to a travel retailer or its employees or authorized representatives for activities under the limited lines travel insurance agent's license that are incidental to the overall compensation of the travel retailer or the employees or authorized representatives of the facility.~~

~~(b) All costs paid or charged to a consumer for the purchase of travel insurance or related services shall be separately itemized on the customer's bill.~~

~~(H) Travel insurance may be provided under individual or group insurance.~~

~~(I) Any limited lines travel insurance agent, or any travel retailer offering or selling travel insurance under a limited lines travel insurance agent, that fails to comply with the provisions of this section is deemed to have engaged in an unfair and deceptive act or practice in the business of insurance as defined in section 3901.21 of the Revised Code and is subject to section 3905.14 of the Revised Code.~~

~~(J) A license issued under this section shall be renewed on a biennial basis as set forth in sections 3905.06 and 3905.07 of the Revised Code.~~

Sec. 3905.065. (A) No person shall offer or sell travel insurance except as provided in sections 3905.064 to 3905.0611 of the Revised Code.

(B) Notwithstanding any other provision of law, the superintendent of insurance may issue to

an individual or business entity a limited lines travel insurance agent license that authorizes the holder of the license to sell, solicit, or negotiate travel insurance through a licensed insurer if both of the following requirements are met:

(1) The individual or business entity has submitted an application to the superintendent for the license on a form and in a manner prescribed by the superintendent.

(2) The individual or business entity has paid all fees applicable under this chapter.

(C)(1) At the time the superintendent of insurance issues a license under this section, the limited lines travel insurance agent shall establish and maintain, on a form prescribed by the superintendent, a register of each travel retailer that offers or sells travel insurance on the limited lines travel agent's behalf.

(2)(a) The register shall include the name, address, and contact information of the travel retailer and an officer or person who directs or controls the travel retailer's operations, and the travel retailer's federal tax identification number.

(b) The limited lines travel insurance agent shall update the register as needed to maintain its accuracy.

(3)(a) The limited lines travel insurance agent shall submit the register to the department of insurance upon reasonable request and shall certify that the registered travel retailer complies with 18 U.S.C. 1033.

(b) The superintendent may apply the grounds for license suspension, license revocation, and the imposition of penalties that are found in section 3905.14 of the Revised Code and that are applicable to resident insurance agents, to limited lines travel insurance agents and travel retailers.

(D) A limited lines travel insurance agent, as well as any travel retailer and the retailer's employees that are registered under division (C) of this section, are exempt from any examination and education requirements as set forth in section 3905.04 of the Revised Code for purposes of sections 3905.064 to 3905.0611 of the Revised Code only.

(E) Travel insurance may be provided under an individual, group, or blanket insurance policy.

(F) A person authorized to offer a travel protection plan under sections 3905.064 to 3905.0611 of the Revised Code may offer a travel protection plan for one price for the combined features that the travel protection plan offers in this state if all of the following are met:

(1) At or prior to the time of purchase, the travel protection plan does both of the following:

(a) Clearly discloses to the consumer that it includes travel insurance, travel assistance services, and cancellation fee waivers, as applicable;

(b) Provides information and an opportunity for the consumer to obtain additional information regarding the features and pricing of each of the combined features.

(2) The fulfillment materials provided to the consumer include all of the following, as applicable:

(a) A description and delineation of the travel insurance, travel assistance services, and cancellation fee waivers in the travel protection plan;

(b) The travel insurance disclosures;

(c) The contact information for persons providing travel assistance services and cancellation fee waivers, as applicable.

(G) In the event of a conflict between sections 3905.064 to 3905.0611 of the Revised Code



and any other provision of Title XXXIX of the Revised Code regarding the sale and marketing of travel insurance and travel protection plans, the provisions of sections 3905.064 to 3905.0611 of the Revised Code control.

(H)(1) All documents provided to consumers prior to the purchase of travel insurance, including sales materials, advertising materials, and marketing materials, shall be consistent with the travel insurance policy itself, including forms, endorsements, policies, rate filings, and certificates of insurance.

(2) For travel insurance policies or certificates that contain pre-existing condition exclusions, information and an opportunity to learn more about the pre-existing condition exclusions shall be provided any time prior to the time of purchase and in the coverage's fulfillment materials.

(3) The fulfillment materials and the information described in division (A)(1) of section 3905.066 of the Revised Code shall be provided to a policyholder or certificate holder as soon as practicable after the purchase of a travel protection plan.

(4) The travel insurer shall disclose in the policy documentation and fulfillment materials whether the travel insurance is primary or secondary to other applicable coverage.

(I)(1) Unless the insured has either started a covered trip or filed a claim under the travel insurance coverage, a policyholder or certificate holder may cancel a travel insurance policy or certificate for a full refund of the travel protection plan price in accordance with the following:

(a) If the travel protection plan's fulfillment materials are delivered by postal mail, the policyholder or certificate holder may cancel within fifteen days following the date of delivery.

(b) If the travel protection plan's fulfillment materials are delivered by means other than postal mail, the policyholder or certificate holder may cancel within ten days following the date of delivery.

(2) For the purposes of this division, "delivery" includes handing fulfillment materials to the policyholder or certificate holder or sending fulfillment materials by postal mail or electronic means to the policyholder or certificate holder.

(J) No person offering, selling, or negotiating travel insurance or travel protection plans on an individual or group basis may do so by using a negative option or opt out when the consumer purchases a trip. As used in this division, "using a negative option or opt out" includes requiring a consumer to take an affirmative action to deselect coverage, such as unchecking a box on an electronic form.

(K) A license issued under this section shall be renewed on a biennial basis as set forth in sections 3905.06 and 3905.07 of the Revised Code.

Sec. 3905.066. (A) Notwithstanding any other provision of law, a travel retailer may offer and sell travel insurance under a limited lines travel insurance agent that is a business entity if all of the following conditions are met:

(1) The limited lines travel insurance agent or travel retailer provides all of the following information to purchasers of travel insurance at the time of sale or in the fulfillment materials provided to purchasers:

(a) A description of the material terms or the actual terms of the insurance coverage;

(b) A description of the process for filing a claim;

(c) A description of the review or cancellation process for the travel insurance policy;

(d) The identity and contact information of the insurer and limited lines travel insurance agent.

(2)(a) The limited lines travel insurance agent designates one of the agent's employees, who is a licensed individual agent, as the responsible insurance agent who is responsible for the limited lines travel insurance agent's compliance with the travel insurance laws and rules of this state applicable to the limited lines travel insurance agent and its registrants. The designated responsible insurance agent must be a licensed insurance agent qualified in any of the following lines of authority in accordance with section 3905.06 of the Revised Code:

(i) Travel;

(ii) Property;

(iii) Personal.

(b) The responsible insurance agent, president, secretary, treasurer, and any other officer or person who directs or controls the limited lines travel insurance agent's insurance operations shall comply with the fingerprinting requirements of section 3905.051 of the Revised Code or the applicable fingerprinting requirements of the home state of the limited lines travel insurance agent.

(3) The limited lines travel insurance agent business entity and the responsible insurance agent are responsible for the acts of the travel retailer and use reasonable means to ensure compliance with sections 3905.064 to 3905.0611 of the Revised Code by the travel retailer.

(4)(a) The limited lines travel insurance agent requires each employee and authorized representative of the travel retailer, whose duties include offering or selling travel insurance, to receive a program of instruction or training that is subject, at the discretion of the superintendent, to review and approval.

(b) The training material shall, at minimum, contain instructions on the types of insurance offered, ethical sales practices, and required disclosures to prospective customers.

(B)(1) Any travel retailer offering or selling travel insurance shall make available to prospective purchasers brochures or other written materials that have been approved by the travel insurer. Such materials shall contain all of the following:

(a) The identity and contact information of the insurer and the limited lines travel insurance agent;

(b) An explanation that the purchase of travel insurance is not required in order to purchase any other product or service from the travel retailer;

(c) An explanation that an unlicensed travel retailer is permitted to provide general information about the insurance offered by the travel retailer, including a description of the coverage and price, but is not qualified or authorized to answer technical questions about the terms and conditions of the insurance offered by the travel retailer or to evaluate the adequacy of the customer's existing insurance coverage.

(2) A travel retailer's employee or authorized representative who is not licensed as an insurance agent shall not do any of the following:

(a) Evaluate or interpret the technical terms, benefits, and conditions of the offered travel insurance coverage;

(b) Evaluate or provide advice concerning a prospective purchaser's existing insurance coverage;

(c) Hold itself out as a licensed insurer, licensed agent, or insurance expert.

(3) Notwithstanding any other provision of law, a travel retailer whose insurance-related activities, and those of its employees and authorized representatives, are limited to offering and selling travel insurance on behalf of and under the direction of a limited lines travel insurance agent that meets the requirements of section 3905.065 of the Revised Code, is authorized to offer and sell insurance and receive related compensation for these services, if the travel retailer is registered by the limited lines travel insurance agent as described in section 3905.065 of the Revised Code. Any compensation paid to a travel retailer's employee or authorized representative for the services described in this section shall be incidental to the employee's or authorized representative's overall compensation and not based primarily on the number of customers who purchase travel insurance coverage.

(C) Nothing in this section shall be construed to prohibit payment of compensation to a travel retailer or its employees or authorized representatives for activities under the limited lines travel insurance agent's license that are incidental to the overall compensation of the travel retailer or the employees or authorized representatives of the facility.

Sec. 3905.067. (A) Except as otherwise provided in this section, all persons offering travel insurance to residents of this state are subject to sections 3901.19 to 3901.26 of the Revised Code.

(B) Any limited lines travel insurance agent, or any travel retailer offering or selling travel insurance under a limited lines travel insurance agent, that fails to comply with the provisions of sections 3905.064 to 3905.0611 of the Revised Code is deemed to have engaged in an unfair and deceptive act or practice in the business of insurance as defined in section 3901.21 of the Revised Code and is subject to section 3905.14 of the Revised Code.

(C) Both of the following shall be considered an unfair and deceptive act or practice in the business of insurance, as defined in section 3901.21 of the Revised Code, and are subject to, in addition to the penalties prescribed in section 3901.22 of the Revised Code, disciplinary action under section 3905.14 of the Revised Code:

(1) Offering or selling a travel insurance policy that could never result in payment of any claims;

(2) Marketing blanket travel insurance coverage as free.

(D) Marketing travel insurance directly to a consumer through a travel insurer's web site or by others through an aggregator site is not an unfair and deceptive act or practice or other violation of law if both of the following conditions are met:

(1) An accurate summary or short description of coverage is provided on the web site;

(2) The consumer has access to the full provisions of the policy through electronic means.

(E) Where a consumer's destination jurisdiction requires insurance coverage, it is not an unfair and deceptive act or practice in the business of insurance to require a consumer to choose between the following options as a condition of purchasing a trip or travel package:

(1) Purchasing the coverage required by the destination jurisdiction through the travel retailer or limited lines travel insurance agent supplying the trip or travel package;

(2) Agreeing to obtain and provide proof of coverage that meets the destination jurisdiction's requirements prior to departure.

Sec. 3905.068. (A) A travel insurer shall pay premium tax, as provided in Chapters 5725. and

5729. of the Revised Code, on travel insurance premiums paid by any of the following:

(1) An individual primary policyholder who is a resident of this state;

(2) A primary certificate holder who is a resident of this state who elects coverage under a group travel insurance policy;

(3)(a) A blanket travel insurance policyholder, when the policy covers eligible blanket group members, that is a resident of, or has its principal place of business in, this state, including when the policy covers an affiliate or subsidiary, regardless of the location of the affiliate or subsidiary.

(b) Such payments shall be subject to any apportionment rules that apply to the insurer across multiple taxing jurisdictions or that permit the insurer to allocate premium on an apportioned basis in a reasonable and equitable manner in those jurisdictions.

(B) A travel insurer shall:

(1) Document the state of residence or principal place of business of the policyholder or certificate holder, as necessary to comply with division (A)(1) of this section;

(2) Report as a premium only the amount allocable to travel insurance and not any amounts received for travel assistance services or cancellation fee waivers.

(C) Neither of the following are insurance:

(1) A cancellation fee waiver;

(2) Travel assistance services.

(D) Surplus lines brokers selling travel insurance shall pay taxes on premiums related to travel insurance in accordance with sections 3905.30 to 3905.38 of the Revised Code and not in accordance with the requirements of this section.

(E) With regard to an automobile or truck rental or leasing company obtaining travel insurance coverage for a group of individuals who may become renters, lessees, or passengers, defined by their travel status on the rented or leased vehicles, the common carrier, operator, owner, or lessor of a means of transportation, or the automobile or truck rental or leasing company, is the policyholder under a policy to which sections 3905.064 to 3905.0611 of the Revised Code apply.

Sec. 3905.069. (A) Notwithstanding any other provisions of Title XXXIX of the Revised Code, no person shall act or represent the person's self as a travel administrator for travel insurance in this state unless that person holds one of the following licenses in good standing in this state:

(1) Property and casualty license;

(2) Managing general agent license;

(3) Third-party administrator license.

(B)(1) A travel insurer is responsible for the acts of a travel administrator administering travel insurance underwritten by the travel insurer and is responsible for ensuring that the travel administrator maintains all books and records relevant to the travel insurer.

(2) The travel administrator shall make such books and records available to the superintendent of insurance upon request.

Sec. 3905.0610. (A)(1) Except as provided in division (A)(2) of this section, travel insurance shall be classified and filed, for purposes of rates and forms, under an inland marine line of insurance.

(2) Travel insurance that provides coverage for sickness, accident, disability, or death occurring during travel, either exclusively or in conjunction with related coverages of emergency

evacuation or repatriation of remains, or incidental limited property and casualty benefits such as baggage or trip cancellation, may be filed under either an accident and health line of insurance or an inland marine line of insurance.

(B) Eligibility and underwriting standards for travel insurance may be developed and provided based on travel protection plans designed for individual or identified marketing or distribution channels, provided those standards also meet the state's underwriting standards for inland marine.

Sec. 3905.0611. The superintendent may adopt rules as needed to implement sections 3905.064 to 3905.0611 of the Revised Code.

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

(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 may reserve the right to defer the payment of such cash surrender benefit for a period not to exceed six months after demand therefor with surrender of the contract. The deferral is contingent upon the company's conveyance of a written request for the deferral to the superintendent and the company's receipt of written approval from the superintendent for the deferral. The request shall address the necessity and equitability to all contract owners of the deferral.

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

(4) A statement that any paid-up annuity, cash surrender, or death benefits that may be available under the contract are not less than the minimum benefits required by any statute of the state in which the contract is delivered and an explanation of the manner in which such benefits are

altered by the existence of any additional amounts credited by the company to the contract, any indebtedness to the company on the contract, or any prior withdrawals from or partial surrenders of the contract.

Notwithstanding the requirements of this section, any deferred annuity contract may provide that if no considerations have been received under a contract for a period of two full years and the portion of the paid-up annuity benefit at maturity on the plan stipulated in the contract arising from considerations paid prior to such period would be less than twenty dollars monthly, the company may at its option terminate such contract by payment in cash of the then present value of such portion of the paid-up annuity benefit, calculated on the basis of the mortality table, if any, and interest rate specified in the contract for determining the paid-up annuity benefit, and by such payment shall be relieved of any further obligation under such contract.

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

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

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

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

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

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

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

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

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

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

(iii) Where the resulting interest rate shall not be less than fifteen hundredths of one per cent.

(b) The interest rate determined under division (D)(2)(a) of this section shall apply for an initial period and may be redetermined for additional periods. The redetermination date, basis and period, if any, shall be stated in the contract. The basis is the date or average over a specified period

that produces the value of the five-year constant maturity treasury rate to be used at each redetermination date.

(3) During the period or term that a contract provides substantive participation in an equity-indexed benefit, the contract may provide for an increase in the reduction described in division (D)(2)(a)(ii) of this section by a maximum of one hundred basis points to reflect the value of the equity-indexed benefit. The present value at the contract issue date, and at each redetermination date thereafter, of the additional reduction shall not exceed the market value of the benefit. The superintendent may require a demonstration that the present value of the additional reduction does not exceed the market value of the benefit. If the demonstration is not acceptable to the superintendent, the superintendent may disallow or limit the additional reduction.

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

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

(F) For contracts which provide cash surrender benefits, such cash surrender benefits available prior to maturity shall not be less than the present value as of the date of surrender of that portion of the maturity value of the paid-up annuity benefit that would be provided under the contract at maturity arising from considerations paid prior to the time of cash surrender reduced by the amount appropriate to reflect any prior withdrawals from or partial surrenders of the contract, such present value being calculated on the basis of an interest rate not more than one per cent higher than the interest rate specified in the contract for accumulating the net considerations to determine such maturity value, decreased by the amount of any indebtedness to the company on the contract, including interest due and accrued, and increased by any existing additional amounts credited by the company to the contract. In no event shall any cash surrender benefit be less than the minimum nonforfeiture amount at that time. The death benefit under such contracts shall be at least equal to the cash surrender benefit.

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

benefit be less than the minimum nonforfeiture amount at that time.

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

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

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

(K) For any contract that provides, within the same contract by rider or supplemental contract provision, both annuity benefits and life insurance benefits that are in excess of the greater of cash surrender benefits or a return of the gross considerations with interest, the minimum nonforfeiture benefit shall be equal to the sum of the minimum nonforfeiture benefits for the annuity portion and the minimum nonforfeiture benefits, if any, for the life insurance portion computed as if each portion were a separate contract. Notwithstanding the provisions of divisions (E), (F), (G), (H), and (J) of this section, additional benefits payable:

- (1) In the event of total and permanent disability;
- (2) As reversionary annuity or deferred reversionary annuity benefits; or
- (3) As other policy benefits additional to life insurance, endowment and annuity benefits, and considerations for all such additional benefits shall be disregarded in ascertaining the minimum nonforfeiture amounts, paid-up annuity, cash surrender, and death benefits that may be required by this section.

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

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

Sec. 3953.01. As used in this chapter:

(A) "Title insurance" means insuring, guaranteeing, or indemnifying owners of real property or others interested in real property against loss or damage suffered by reason of liens or encumbrances upon, defect in, or the unmarketability of the title to the real property, guaranteeing, warranting, or otherwise insuring by a title insurance company the correctness of searches relating to the title to real property, or doing any business in substance equivalent to any of the foregoing.

(B) "The business of title insurance" means the following:

- (1) The making as insurer, guarantor, or surety, or proposing to make as insurer, guarantor, or



surety, any contract or policy of title insurance;

(2) The transacting, or proposing to transact, any phase of title insurance, including solicitation, negotiation preliminary to execution, execution of a contract of title insurance, insuring, and transacting matters subsequent to the execution of the contract and arising out of it, including reinsurance;

(3) The doing or proposing to do any business in substance equivalent to any of the foregoing.

(C) "Title insurance company" means any of the following:

(1) Any domestic title guaranty company and domestic title guarantee and trust company to the extent that they are engaged in the business of title insurance;

(2) Any domestic company organized under this chapter for the purpose of insuring titles to real property;

(3) Any title insurance company organized under the laws of another state or foreign government;

(4) Any domestic or foreign company that has the powers and is authorized to insure titles to real estate within this state on December 12, 1967, and that meets the requirements of this chapter.

(D) "Applicants for insurance" includes all those, whether or not a prospective insured, who from time to time apply to a title insurance company or to its agent for title insurance and who at the time of that application are not agents for a title insurance company.

(E) "Risk premium" for title insurance means that portion of the fee charged by a title insurance company, agent of a title insurance company, or approved attorney of a title insurance company to an insured or an applicant for insurance for the assumption by the title insurance company of the risk created by the issuance of the title insurance policy.

(F) "Fee" for title insurance means the risk premium, abstracting or searching charge, examination charge, and every other charge, exclusive of settlement, closing, or escrow charges, whether denominated premium or otherwise, made by a title insurance company, agent of a title insurance company, or an approved attorney of a title insurance company to an insured or an applicant for insurance for any policy or contract for the issuance of title insurance. "Fee" does not include any charges paid to and retained by an attorney at law or abstractor acting as an independent contractor whether or not the attorney or abstractor is acting as an agent of a title insurance company or an approved attorney and does not include any charges made for special services not constituting title insurance, even though performed in connection with a title insurance policy or contract.

(G) "Approved attorney" means an attorney at law who is not an employee of a title insurance company or a title insurance agent and upon whose examination of title and report on the examination a title insurance company may issue a policy of title insurance.

(H) "Title insurance agent" means a person, partnership, or corporation authorized in writing by a title insurance company to solicit insurance and collect premiums and to issue or countersign policies on its behalf. "Title insurance agent" does not include officers and salaried employees of any title insurance company authorized to do a title insurance business within this state.

(I) "Single insurance risk" means the insured amount of any policy or contract of title insurance issued by a title insurance company.

(J) "Foreign title insurance company" means a title insurance company organized under the

laws of any state or territory of the United States or the District of Columbia.

(K) "Alien title insurance company" means a title insurance company that is incorporated or organized under the laws of any foreign nation or any province or territory of a foreign nation and that is not a foreign title insurance company.

(L) "Non-directed escrow funds" means any funds delivered to a title insurance agent or title insurance company with instructions to hold or disburse the funds pursuant to a transaction in which a title insurance policy will be issued, but without written instructions to either deposit the funds in an account for the benefit of a specific person or to pay the interest earned on the funds to a specific person.

(M) "Business day" means any day, other than a Saturday or Sunday, or a legal holiday, on which a bank, savings and loan association, credit union, or savings bank is open to the public for carrying on substantially all of its functions.

(N) "Housing accommodations" and "restrictive covenant" have the same meanings as in section 4112.01 of the ~~revised code~~ Revised Code.

(O) "Joint venture" means an arrangement undertaken jointly by two or more parties in regard to ownership of a business entity title insurance agent.

Sec. 3953.331. (A) For a title insurance ~~company~~-agency that is a joint venture, the annual review required under section 3953.33 of the Revised Code shall ~~assess whether or not~~ demonstrate that all members of the joint venture received revenue during the year in question from the title ~~company~~-agency commensurate to their ownership interest in the title ~~company~~-agency. The superintendent of insurance shall promulgate rules under Chapter 119. of the Revised Code setting forth the standards of the review required under this section and the form in which this information is to be provided.

(B) Title insurance ~~companies~~-agencies that are joint ventures shall maintain sufficient records of their affairs, including their escrow operations, escrow trust accounts, and operating accounts so that the superintendent may adequately ensure that the title insurance ~~company~~-agency that is a joint venture and all members of the joint venture are in compliance with the requirements of this section. Records kept pursuant to this section shall be kept for a period of not less than ten years following the transactions to which the records relate. The superintendent may prescribe the specific records and documents to be kept.

Sec. 3953.36. For a title ~~company~~-agency that is a joint venture that is set to dissolve or terminate on a specified date, all members of that joint venture shall be allowed or invited to join any successor joint ventures formed upon dissolution or termination of the original joint venture, and the percentage of ownership in any successor joint venture shall not be based on the percentage of title insurance business referred to the original joint venture.

SECTION 2. That existing sections 3901.21, 3901.32, 3901.33, 3901.34, 3901.341, 3901.36, 3905.051, 3905.06, 3905.064, 3915.073, 3953.01, 3953.331, and 3953.36 of the Revised Code are hereby repealed.

SECTION 3. The amendments to section 3905.064 and the enactment of sections 3905.065 to

3905.0611 of the Revised Code take effect ninety days after the effective date of this section.

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*Speaker* \_\_\_\_\_ *of the House of Representatives.*

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*President* \_\_\_\_\_ *of the Senate.*

Passed \_\_\_\_\_, 20\_\_\_\_

Approved \_\_\_\_\_, 20\_\_\_\_

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*Governor.*

Am. Sub. S. B. No. 256

134th G.A.

The section numbering of law of a general and permanent nature is complete and in conformity with the Revised Code.

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*Director, Legislative Service Commission.*

Filed in the office of the Secretary of State at Columbus, Ohio, on the \_\_\_\_ day of \_\_\_\_\_, A. D. 20 \_\_\_\_.

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*Secretary of State.*

File No. \_\_\_\_\_ Effective Date \_\_\_\_\_