

AN ACT

To amend sections 1751.38, 3901.021, 3901.19, 3901.22, 3901.51, 3901.62, 3903.81, 3905.012, 3905.03, 3905.06, 3905.09, 3905.11, 3905.12, 3905.13, 3905.14, 3905.181, 3905.24, 3905.25, 3905.26, 3905.27, 3905.28, 3905.29, 3905.30, 3905.31, 3905.34, 3905.36, 3905.41, 3905.47, 3905.482, 3905.483, 3905.484, 3905.486, 3905.49, 3905.491, 3905.492, 3905.50, 3905.52, 3905.72, 3905.85, 3905.861, 3905.89, 3905.94, 3905.99, 3907.19, 3909.06, 3911.011, 3923.121, 3929.30, 3931.101, 3931.11, 3933.04, 3953.21, 3953.23, 3957.14, 3960.03, and 3960.11; to amend, for the purpose of adopting new section numbers as indicated in parentheses, sections 3905.012 (3905.16), 3905.03 (3905.10), 3905.06 (3905.29), 3905.09 (3901.78), 3905.11 (3901.781), 3905.12 (3901.782), 3905.13 (3901.783), 3905.14 (3901.784), 3905.181 (3905.182), 3905.24 (3901.74), 3905.25 (3901.75), 3905.26 (3905.40), 3905.27 (3905.41), 3905.28 (3901.76), 3905.29 (3901.77), 3905.41 (3901.86), 3905.47 (3905.49), 3905.49 (3905.14), 3905.491 (3905.15), 3905.492 (3905.24), and 3905.52 (3905.401); to enact new sections 3905.01, 3905.02, 3905.03, 3905.04, 3905.06, 3905.07, 3905.08, 3905.09, 3905.11, 3905.12, 3905.18, 3905.181, 3905.20, 3905.21, 3905.22, 3905.26, and 3905.28 and sections 3901.211, 3905.041, 3905.05, 3905.061, 3905.071, 3905.072, 3905.081, 3905.201, 3905.211, and 3905.212; and to repeal sections 3905.01, 3905.011, 3905.013, 3905.02, 3905.04, 3905.07, 3905.08, 3905.15, 3905.16,

3905.17, 3905.18, 3905.19, 3905.20, 3905.21, 3905.22, 3905.23, 3905.40, 3905.48, 3905.51, and 3905.54 of the Revised Code to adopt the Insurance Producer's Licensing Act and to prohibit certain unfair trade practices by persons that lend money or extend credit.

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

SECTION 1. That sections 1751.38, 3901.021, 3901.19, 3901.22, 3901.51, 3901.62, 3903.81, 3905.012, 3905.03, 3905.06, 3905.09, 3905.11, 3905.12, 3905.13, 3905.14, 3905.181, 3905.24, 3905.25, 3905.26, 3905.27, 3905.28, 3905.29, 3905.30, 3905.31, 3905.34, 3905.36, 3905.41, 3905.47, 3905.482, 3905.483, 3905.484, 3905.486, 3905.49, 3905.491, 3905.492, 3905.50, 3905.52, 3905.72, 3905.85, 3905.861, 3905.89, 3905.94, 3905.99, 3907.19, 3909.06, 3911.011, 3923.121, 3929.30, 3931.101, 3931.11, 3933.04, 3953.21, 3953.23, 3957.14, 3960.03, and 3960.11 be amended; sections 3905.012 (3905.16), 3905.03 (3905.10), 3905.06 (3905.29), 3905.09 (3901.78), 3905.11 (3901.781), 3905.12 (3901.782), 3905.13 (3901.783), 3905.14 (3901.784), 3905.181 (3905.182), 3905.24 (3901.74), 3905.25 (3901.75), 3905.26 (3905.40), 3905.27 (3905.41), 3905.28 (3901.76), 3905.29 (3901.77), 3905.41 (3901.86), 3905.47 (3905.49), 3905.49 (3905.14), 3905.491 (3905.15), 3905.492 (3905.24), and 3905.52 (3905.401) be amended for the purpose of adopting new section numbers as indicated in parentheses; and new sections 3905.01, 3905.02, 3905.03, 3905.04, 3905.06, 3905.07, 3905.08, 3905.09, 3905.11, 3905.12, 3905.18, 3905.181, 3905.20, 3905.21, 3905.22, 3905.26, and 3905.28 and sections 3901.211, 3905.041, 3905.05, 3905.061, 3905.071, 3905.072, 3905.081, 3905.201, 3905.211, and 3905.212 of the Revised Code be enacted to read as follows:

Sec. 1751.38. (A) As used in this section, "agent" means a person appointed by a health insuring corporation to engage in the solicitation or enrollment of subscribers or enrollees.

(B) Agents of health insuring corporations shall be licensed pursuant to ~~section 3905.02 or 3905.18~~ as insurance agents in accordance with Chapter 3905. of the Revised Code.

(C) ~~Sections 3905.02, 3905.16 to 3905.18, 3905.181, 3905.19, 3905.23, 3905.40, 3905.41, 3905.42, 3905.46 to 3905.48, 3905.481, 3905.482, 3905.486, 3905.49, 3905.491, 3905.492, 3905.50, 3905.71 to 3905.79, and~~

~~905.99~~ Chapter 3905. of the Revised Code shall apply to health insuring corporations and the agents of health insuring corporations in the same manner in which these sections apply to insurers and agents of insurers.

Sec. 3901.021. Three-fourths of all appointment and other fees collected under ~~sections 3905.02, 3905.03, 3905.07, and 3905.18,~~ section 3905.10, division (B) of section 3905.20, and division (A)(6) of section ~~3905.26~~ 3905.40 of the Revised Code shall be paid into the state treasury to the credit of the department of insurance operating fund, which is hereby created. The remaining one-fourth shall be credited to the general revenue fund. All operating expenses of the department of insurance except those expenses defined under section 3901.07 of the Revised Code shall be paid from the department of insurance operating fund.

Sec. 3901.19. As used in sections 3901.19 to 3901.26 of the Revised Code:

(A) "Person" means any individual, corporation, association, partnership, reciprocal exchange, inter-insurer, fraternal benefit society, title guarantee and trust company, health insuring corporation, and any other legal entity.

(B) "Residents" includes any individual, partnership, or corporation.

(C) "Maternity benefits" means those benefits calculated to indemnify the insured for hospital and medical expenses fairly and reasonably associated with a pregnancy and childbirth.

(D) "Insurance" includes, but is not limited to, any policy or contract offered, issued, sold, or marketed by an insurer, corporation, association, organization, or entity regulated by the superintendent of insurance or doing business in this state. Nothing in any other section of the Revised Code shall be construed to exclude single premium deferred annuities from the regulation of the superintendent under sections 3901.19 to 3901.26 of the Revised Code.

(E) "Affiliate" means any company that controls, is controlled by, or is under common control with, another company.

(F) "Customer" means an individual who purchases, applies to purchase, or is solicited to purchase insurance products primarily for personal, family, or household purposes.

(G) "Depository institution" means a bank, savings bank, savings and loan association, or credit union that is subject to regulation or supervision by the United States or any state. "Depository institution" does not include an insurance company.

(H) "Insurance agent" or "agent" has the same meaning as in section 3905.01 of the Revised Code.

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

(J) "Policy" or "certificate" means a contract of insurance, indemnity, medical, health or hospital service, suretyship, or annuity issued, proposed for issuance, or intended for issuance by any insurer.

Sec. 3901.211. (A)(1) No person may require as a condition precedent to the lending of money or the extension of credit, or any renewal thereof, that the person to whom such money or credit is extended or whose obligation a creditor is to acquire or finance, negotiate any policy or renewal thereof through a particular insurer or group of insurers or agent or group of agents.

(2) No person may reject an insurance policy solely because the policy has been issued or underwritten by a person that is not associated with the person, or an affiliate of the person, rejecting the policy.

(B) No person that lends money or extends credit may do any of the following:

(1) As a condition for extending credit or offering any product or service that is equivalent to an extension of credit, require that a customer obtain insurance from a depository institution or an affiliate of a depository institution, or from a particular insurer, agent, or other person. However, this provision does not prohibit a person from informing a customer or prospective customer that insurance is required in order to obtain a loan or credit, that loan or credit approval is contingent upon the procurement by the customer of acceptable insurance, or that insurance is available from the person or an affiliate of that person.

(2) Unreasonably reject a policy furnished by the customer or borrower for the protection of the property securing the credit or lien. A rejection shall not be deemed unreasonable if it is based on reasonable standards, uniformly applied. Such standards may include, but are not limited to, standards relating to the extent of coverage required and the financial soundness and services of an insurer. Such standards shall not discriminate against any particular type of insurer, nor shall such standards call for the rejection of a policy because it contains coverage in addition to that required in the credit transaction.

(3) Require that any customer, borrower, mortgagor, purchaser, insurer, broker, or agent pay a separate charge in connection with the handling of any policy required as security for a loan on real estate or pay a separate charge to substitute the policy of one insurer for that of another. Division (B)(3) of this section does not apply to the interest that may be charged on premium loans or premium advancements in accordance with the terms of

the loan or credit document. Division (B)(3) of this section does not apply to required charges when the person or an affiliate of that person is the licensed agent providing the insurance.

(4) Require any procedures or conditions of duly licensed agents or insurers not customarily required of the agents or insurers affiliated, or in any way connected, with the person that lends money or extends credit:

(5) Use an advertisement or other insurance promotional material that would cause a reasonable person to mistakenly believe that the federal government or the state is responsible for the insurance sales activity of, or stands behind the credit of, the person, depository institution, or an affiliate of the person or depository institution:

(6) Use an advertisement or other insurance promotional material that would cause a reasonable person to mistakenly believe that the federal government or the state guarantees any return on insurance products or is a source of payment on any insurance obligation of or sold by the person or an affiliate of the person:

(7) Pay or receive any commission, brokerage fee, or other compensation as an agent, unless the person holds a valid agent's license for the applicable class of insurance. However, an unlicensed person may make a referral to a licensed agent, provided that the person does not discuss specific insurance policy terms and conditions. The unlicensed person may be compensated for the referral; however, in the case of a referral of a customer, the unlicensed person may be compensated only if the compensation is a fixed dollar amount for each referral that does not depend on whether the customer purchases the insurance product from the licensed agent. Further, any person that accepts deposits from the public in an area where such transactions are routinely conducted in the depository institution may receive for each customer referral no more than a one-time, nominal fee of a fixed dollar amount that does not depend on whether the referral results in a transaction.

(8) Solicit or sell insurance, other than credit insurance or flood insurance, unless the solicitation or sale is completed through documents separate from any credit transactions:

(9) Include the expense of insurance premiums, other than credit insurance premiums or flood insurance premiums, in the primary credit transaction without the express written consent of the customer.

(C)(1) If an application for a loan or extension of credit is pending before a person that lends money or extends credit and that also solicits insurance primarily for personal, family, or household purposes in connection with that loan or extension of credit, that person shall disclose to

the customer, in writing, that the insurance related to the credit extension may be purchased from an insurer or agent of the customer's choice, subject only to the lender's right to reject a given insurer or agent as provided in division (B)(2) of this section. Further, the disclosure shall inform the customer that the customer's choice of an insurer or agent will not affect the credit decision or credit terms in any way, except that the person lending money or extending credit may impose reasonable requirements as provided in division (B)(2) of this section.

(2) If an application for a loan or extension of credit is pending before a person that lends money or extends credit and that also solicits insurance primarily for personal, family, or household purposes in connection with that loan or extension of credit, that person shall obtain a written acknowledgement of the receipt of the disclosure at the time the customer receives the disclosure or at the time of the initial purchase of the insurance policy. If the solicitation is conducted by telephone, the person shall obtain an oral acknowledgement of receipt of the disclosure, maintain sufficient documentation to show that the acknowledgement was given by the customer, and make reasonable efforts to obtain a written acknowledgement from the customer. If a customer affirmatively consents to receiving the disclosures electronically and the disclosures are provided in a format that the customer may retain or obtain later, the person may provide the disclosure and obtain acknowledgement of the receipt of the disclosure from the customer using electronic media.

(3) This division does not apply to the offering or sale of limited line credit insurance as defined in section 3905.01 of the Revised Code.

(D)(1) A depository institution that solicits, sells, advertises, or offers insurance, and any person that solicits, sells, advertises, or offers insurance on behalf of a depository institution or on the premises of a depository institution, shall disclose to the customer in writing, where practicable and in a clear and conspicuous manner, prior to a sale, that the insurance:

(a) Is not a deposit;

(b) Is not insured by the federal deposit insurance corporation or any other federal government agency;

(c) Is not guaranteed by the depository institution, and, when applicable, that the insurance is not guaranteed by an affiliate of the depository institution or by any person that is soliciting, selling, advertising, or offering insurance;

(d) Involves investment risk including the possible loss of value, where this disclosure is appropriate.

(2) A depository institution that solicits, sells, advertises, or offers

insurance, and any person that solicits, sells, advertises, or offers insurance on behalf of a depository institution or on the premises of a depository institution, shall obtain written acknowledgement of the receipt of the disclosure from the customer at the time the customer receives the disclosure or at the time of the initial purchase of the insurance policy. If the solicitation is conducted by telephone, the person or depository institution shall obtain an oral acknowledgement of receipt of the disclosure, maintain sufficient documentation to show that the acknowledgement was given by the customer, and make reasonable efforts to obtain a written acknowledgement from the customer. If a customer affirmatively consents to receiving the disclosures electronically and the disclosures are provided in a format that the customer may retain or obtain later, the person or depository institution may provide the disclosure and obtain acknowledgement of the receipt of the disclosure from the customer using electronic media.

(3) For purposes of divisions (D)(1) and (2) of this section, an affiliate of a depository institution is subject to these requirements only to the extent that it sells, solicits, advertises, or offers insurance products or annuities at an office of a depository institution or on behalf of a depository institution. These requirements apply only when an individual purchases, applies to purchase, or is solicited to purchase insurance products or annuities primarily for personal, family, or household purposes and only to the extent that a disclosure would be accurate.

(4) For purposes of division (D)(1) of this section, a person is selling, soliciting, advertising, or offering insurance on behalf of a depository institution, whether at an office of the depository institution or another location, if at least one of the following applies:

(a) The person represents to the customer that the sale, solicitation, advertisement, or offer of insurance is by or on behalf of the depository institution;

(b) The depository institution refers a customer to the person that sells insurance and the depository institution has a contractual arrangement to receive commissions or fees derived from the sale of insurance resulting from the referral;

(c) Documents evidencing the sale, solicitation, advertisement, or offer of insurance identify or refer to the depository institution.

(E) Nothing in this section shall prevent a person that lends money or extends credit from placing insurance on real or personal property in the event the mortgagor, borrower, or purchaser has failed to provide required insurance in accordance with the terms of the loan or credit document.

(F)(1) A violation of this section is an unfair and deceptive act or practice in the business of insurance under sections 3901.19 to 3901.26 of the Revised Code.

(2) Any person subject to this section shall, upon reasonable notice, make available to the superintendent of insurance all books and records relating to insurance transactions.

Sec. 3901.22. (A) The superintendent of insurance may conduct hearings to determine whether violations of section 3901.20 of the Revised Code have occurred. Any person aggrieved with respect to any act that the person believes to be an unfair or deceptive act or practice in the business of insurance, as defined in section 3901.21 ~~or 3901.211~~ of the Revised Code or in any rule of the superintendent of insurance, may make written application to the superintendent for a hearing to determine if there has been a violation of section 3901.20 of the Revised Code. The application shall specify the grounds to be relied upon by the applicant. If the superintendent finds that the application is made in good faith, that the applicant would be so aggrieved if ~~his~~ the applicant's grounds are established, and that such grounds otherwise justify holding such a hearing, ~~he~~ the superintendent shall hold a hearing to determine whether the act specified in the application is a violation of section 3901.20 of the Revised Code. Notice of any hearing held under the authority of this section, the conduct of the hearing, the orders issued pursuant to it, the review of the orders and all other matters relating to the holding of the hearing shall be governed by Chapter 119. of the Revised Code.

(B) Upon good cause shown, the superintendent shall permit any person to intervene, appear, and be heard at the hearing, either in person or by counsel.

(C) The superintendent shall send a copy of the order to those persons intervening in the hearing.

(D) If the superintendent, by written order, finds ~~in his written order~~ that any person has violated section 3901.20 of the Revised Code, ~~he~~ the superintendent shall issue an order requiring that person to cease and desist from engaging in the violation. In addition, the superintendent may impose any or all of the following administrative remedies upon the person:

(1) ~~He~~ The superintendent may suspend or revoke ~~his~~ the person's license to engage in the business of insurance;

(2) ~~He~~ The superintendent may order that an insurance company or insurance agency not employ the person or permit the person to serve as a director, consultant, or in any other capacity for such time as the superintendent determines would serve the public interest. No application

for termination of such an order for an indefinite time shall be filed within two years of its effective date;

(3) ~~He~~ The superintendent may order ~~such~~ the person to return any payments received by ~~such~~ the person as a result of the violation;

(4) If the superintendent issues an order pursuant to division (D)(3) of this section, ~~he~~ the superintendent shall order ~~such~~ the person to pay statutory interest on such payments.

If the superintendent does not issue orders pursuant to divisions (D)(3) and (4) of this section, ~~he~~ the superintendent shall expressly state in the cease-and-desist order ~~his~~ the reasons for not issuing such orders.

(5) ~~He~~ The superintendent may order ~~such~~ the person to pay to the state treasury for credit to the department's operating fund an amount, not in excess of one hundred thousand dollars, equal to one-half of the expenses reasonably incurred by the superintendent to retain attorneys, actuaries, accountants, and other experts not otherwise a part of the superintendent's staff to assist directly in the conduct of any investigations and hearings conducted with respect to violations committed by ~~such~~ the person.

(E) If the superintendent has reasonable cause to believe that an order issued pursuant to division (D) of this section has been violated in whole or in part, ~~he~~ the superintendent may, unless such order is stayed by a court of competent jurisdiction, request the attorney general to commence and prosecute any appropriate action or proceeding in the name of the state against ~~such~~ the person.

Such action may include, but need not be limited to, the commencement of a class action under Civil Rule 23 on behalf of policyholders, subscribers, applicants for policies or contracts, or other insurance consumers for damages caused by or unjust enrichment received as a result of the violation.

(F) In addition to any penalties imposed pursuant to this chapter, the court may, in an action brought pursuant to division (E) of this section, impose any of the following:

(1) For each act or practice found to be in violation of section 3901.20 of the Revised Code, a civil penalty of not more than three thousand five hundred dollars for each violation but not to exceed an aggregate penalty of thirty-five thousand dollars in any six-month period, provided that a series of similar acts or practices prohibited by section 3901.20 of the Revised Code and committed by the same person but not in separate insurance sales transactions shall be considered a single violation;

(2) For each violation of a cease and desist order issued by the superintendent pursuant to this section, a civil penalty of not more than ten thousand dollars;

(3) In addition to any other appropriate relief, the court may order any or all of the remedies specified in division (D) of this section.

(G) The superintendent, under a settlement agreement to which a person has consented in writing for the purpose of assuring the person's correction of a series of offenses and future compliance with the laws of this state relating to the business of insurance, may impose a single penalty in whatever amount the parties determine to be justified under the circumstances.

(H) A court of common pleas, in a civil action commenced by the attorney general on behalf of the superintendent under Civil Rule 65, may grant a temporary restraining order, preliminary injunction, or permanent injunction to restrain or prevent a violation or threatened violation of any provision of section 3901.20 of the Revised Code, if the court finds that the defendant has violated, is violating, or is threatening to violate such provision, that immediate and irreparable injury, loss, or damage will result if such relief is not granted, and that no adequate remedy at law exists to prevent such irreparable injury, loss, or damage.

(I) If the superintendent's position in initiating a matter in controversy pursuant to this section and section 3901.221 of the Revised Code was not substantially justified, upon motion of the person who prevailed in the hearing or in the appropriate court, if an adjudication order was appealed or a civil action was commenced, the superintendent or the court shall order the department of insurance to pay such person an amount, not in excess of one hundred thousand dollars, equal to one-half of the expenses reasonably incurred by ~~such~~ the person in connection with the related proceedings. An award pursuant to this division may be reduced or denied if special circumstances make an award unjust or if ~~such~~ the person engaged in conduct that unduly and unreasonably protracted the final resolution of the matter in controversy. If the department does not pay such award or no such funds are available, the award shall be treated as if it were a judgment under Chapter 2743. of the Revised Code and be payable in accordance with the procedures specified in section 2743.19 of the Revised Code, except that interest shall not be paid in relation to the award.

Sec. 3901.51. As used in sections 3901.51 to 3901.55 of the Revised Code:

(A) "Clearing corporation" has the same meaning as in section 1308.01 of the Revised Code, except that with respect to securities issued by institutions organized or existing under the laws of any foreign country or securities used to meet the deposit requirements pursuant to the laws of a foreign country as a condition of doing business in that country, "clearing

corporation" includes a corporation that is organized or existing under the laws of any foreign country and is legally qualified under those laws to effect transactions in securities by computerized book-entry.

(B) "Direct participant" means a bank, trust company, or other entity that maintains an account in its name in a clearing corporation and through which an insurance company participates in a clearing corporation.

(C) "Federal reserve book-entry system" means the computerized systems sponsored by the United States department of the treasury and agencies and instrumentalities of the United States for holding and transferring securities of the United States government and agencies and instrumentalities in federal reserve banks through banks that are members of the federal reserve system or that otherwise have access to these computerized systems.

(D) "Member bank" means a national or state bank or a trust company that is a member of the federal reserve system and through which an insurance company participates in the federal reserve book-entry system.

(E) "Provisions of the insurance laws of this state" means provisions of Title XXXIX of the Revised Code related to the deposit of securities for the benefit and security of policyholders, and includes, but is not limited to, sections 3901.18, 3901.74, 3901.75, 3901.86, 3903.73, ~~3905.24~~, ~~3905.25~~, ~~3905.41~~, 3907.07, 3909.03, 3909.09, 3909.17, 3913.01, 3913.04, 3919.13, 3919.36, 3919.37, 3919.41, 3925.07, 3927.02, 3927.06, 3929.01, 3929.07, 3929.08, 3929.09, 3929.10, 3929.11, 3941.30, 3941.31, 3941.32, 3941.33, 3941.34, 3941.42, 3953.06, 3953.11, and 3957.03 of the Revised Code.

(F) "Securities" has the same meaning as in section 1308.01 of the Revised Code.

Sec. 3901.62. (A) Except as provided in sections 3901.63 and 3901.64 of the Revised Code, a domestic ceding insurer that is authorized to do any insurance business in this state may take credit for any reinsurance ceded as either an asset or a reduction of liability only if one of the following applies:

(1) The reinsurance is ceded to an assuming insurer that is authorized to do any insurance or reinsurance business in this state.

(2) The reinsurance is ceded to an assuming insurer that is not authorized to do any insurance or reinsurance business in this state, provided the reinsurance is ceded to a reinsurance pool or other risk-sharing entity in which participation is required by law, rule, or regulation of the jurisdiction in which the pool or entity is located.

(3) The reinsurance is ceded to an assuming insurer that maintains a trust fund in a qualified United States financial institution, as defined in division (B)(2) of section 3901.63 of the Revised Code, for the payment of

the valid claims of its United States policyholders and ceding insurers, and their assigns and successors in interest.

(B) A trust maintained by an assuming insurer under division (A)(3) of this section shall meet the following requirements:

(1) In the case of a single assuming insurer, the trust shall consist of a trustee account representing the assuming insurer's liabilities attributable to business underwritten in the United States. A trustee surplus of not less than twenty million dollars shall be maintained by the assuming insurer.

(2) In the case of a group of assuming insurers, including incorporated and individual unincorporated underwriters, the trust shall consist of a trustee account representing the group's liabilities attributable to business written in the United States. A trustee surplus shall be maintained by the group, of which surplus one hundred million dollars shall be held jointly for the benefit of the United States ceding insurers of any member of the group. The following requirements apply to the group of assuming insurers:

(a) The incorporated members of the group shall not engage in any business other than underwriting as a member of the group, and shall be subject to the same level of solvency regulation and control by the group's domiciliary regulator as are the unincorporated members.

(b) The group shall make available to the superintendent of insurance an annual certification of the solvency of each underwriter in the group. The certification shall be provided by the group's domiciliary regulator and its independent public accountants.

(3) In the case of a group of incorporated insurers under common administration with aggregate policyholders' surplus of ten billion dollars that has continuously transacted an insurance business outside the United States for at least three years immediately prior to assuming reinsurance, the trust shall be in an amount equal to the group's several liabilities attributable to business ceded by United States ceding insurers to any member of the group pursuant to reinsurance contracts issued in the name of the group. A joint trustee surplus shall be maintained by the group, of which surplus one hundred million dollars shall be held jointly for the benefit of United States ceding insurers of any member of the group as additional security for any such liabilities. The following requirements apply to the group of incorporated insurers:

(a) The group shall comply with all filing requirements contained in this section.

(b) The books and records of the group shall be subject to examination by the superintendent in the same manner as the books and records of insurers are subject to examination by the superintendent in accordance with

section 3901.07 of the Revised Code. The group shall bear the expenses of these examinations in the manner provided by that section.

(c) Each member of the group shall make available to the superintendent an annual certification of the member's solvency by the member's domiciliary regulator and an independent public accountant.

(C) A trust maintained by an assuming insurer under division (A)(3) of this section shall remain in effect for as long as the assuming insurer has outstanding obligations due under the reinsurance agreements subject to the trust. The trust shall be in a form approved by the superintendent and shall include the following:

(1) The trust instrument shall provide that contested claims are valid and enforceable upon the final order of any court of competent jurisdiction in the United States.

(2) The trust shall vest legal title to its assets in the trustees of the trust for its United States policyholders and ceding insurers, and their assigns and successors in interest.

(3) The trust, and the assuming insurer maintaining the trust, shall allow the superintendent to conduct examinations in the same manner as the superintendent conducts examinations of insurers under section 3901.07 of the Revised Code.

(D) No later than the last day of February of each year, the trustees of a trust maintained by an assuming insurer under division (A)(3) of this section shall provide the superintendent with a written report setting forth the balance of the trust and listing the trust's investments as of the preceding thirty-first day of December. The trustees shall certify the date of the termination of the trust, if termination of the trust is planned, or shall certify that the trust does not expire prior to the following thirty-first day of December.

(E) To enable the superintendent to determine the sufficiency of a trust maintained by an assuming insurer under division (A)(3) of this section, the assuming insurer shall annually report information on the trust to the superintendent that is substantially the same as that information licensed insurers are required to report under sections 3907.19, 3909.06, and 3929.30 of the Revised Code on forms adopted under section ~~3905.29~~ 3901.77 of the Revised Code.

(F) An assuming insurer shall file a written instrument appointing an attorney as its agent in this state upon whom all service of process may be served. Service of process upon this agent shall bring the assuming insurer within the jurisdiction of the courts of this state as if served upon an agent pursuant to section 3927.03 of the Revised Code.

Sec. ~~3905.24~~ 3901.74. When a life insurance company doing business in this state decides to discontinue its business, the superintendent of insurance upon the application of ~~such~~ the company or association shall give notice, at its expense, of such intention at least once a week for six weeks in a newspaper published and of general circulation in the county in which ~~such~~ the company or its general agency is located. After such publication, the superintendent shall deliver to ~~such~~ the company or association its securities held by ~~him~~ the superintendent, if ~~he~~ the superintendent is satisfied on an exhibition of its books and papers, and on an examination made by ~~himself~~ the superintendent or by some competent, disinterested person appointed by ~~him~~ the superintendent, and upon the oath of the president or principal officer and the secretary or actuary of ~~such~~ the company, that all debts and liabilities due or to become due upon any contract or agreement made with any citizen or resident of the United States are paid and extinguished. The superintendent may deliver to ~~such~~ the company or association or its assigns any portion of ~~such~~ the securities on being satisfied that an equal proportion of the debts and liabilities due or to become due upon any such contract or agreement have been satisfied, if the amount of securities retained by ~~him~~ the superintendent is not less than twice the amount of the remaining liabilities.

Sec. ~~3905.25~~ 3901.75. When any insurance company or corporation other than life, which company or corporation has made a deposit with the superintendent of insurance, intends to discontinue its business in this state, the superintendent, upon the application of ~~such~~ the company or corporation, shall give notice at its expense of such intention at least once a week for six weeks in three newspapers of general circulation in the state.

After such publication, the superintendent shall deliver to ~~such~~ the company or association its securities held by ~~him~~ the superintendent, if ~~he~~ the superintendent is satisfied by the affidavits of the principal officers of the company, and on an examination made by ~~him~~ the superintendent or by some competent, disinterested person appointed by ~~him~~ the superintendent if ~~he~~ the superintendent deems it necessary, that all liabilities and obligations which ~~said~~ the deposit has been made to secure have been paid and extinguished. The superintendent may deliver to ~~such~~ the company or its assigns, under like condition, any portion of ~~such~~ the securities on being satisfied that an equal proportion of ~~said~~ the liabilities and obligations have been satisfied, if the amount of securities retained by ~~him~~ the superintendent is not less than twice the amount of the remaining liabilities and obligations.

Sec. ~~3905.28~~ 3901.76. As used in this section, "securities" means the stocks, bonds, debentures, and other assets subject from time to time to

valuation by the committee on valuation of securities of the national association of insurance commissioners.

For the purpose of enabling the superintendent of insurance to secure the analyses, reports, and information developed by the committee on valuation of securities of the national association of insurance commissioners and to pay for such information by cooperating with other states in defraying the expenses of ~~such~~ the committee in the investigation, analysis, and valuation of securities and the determination of amortizability of bonds owned by life insurance companies for the purpose of furnishing to the several states on a uniform basis the information needed in the supervision of insurance companies licensed to transact business in the several states, there is hereby created in the state treasury the security valuation expense fund.

The superintendent may collect and disburse, in cooperation with supervisory officials of other states, the moneys obtained through assessments as provided in this section. All moneys which are paid into the fund shall be used only for the purpose of this section.

The superintendent may contract with the committee to make available to the department of insurance the analyses, reports, and information developed by the committee and, after taking into consideration similar payments ~~which~~ that may be made by other states, may make payment to ~~such~~ the committee to the extent authorized by this section, on account of the expenses of the committee, from the fund.

The superintendent shall periodically obtain from the committee a verified budget estimate of the receipts and of the expenses to be incurred by the committee for a stated period, not exceeding one year, with appropriate explanations of the estimates therein contained.

If the superintendent is satisfied as to the reasonableness of ~~such~~ the budget estimate, ~~he~~ the superintendent shall determine the portion of the moneys required by ~~such~~ the budget estimate, to be assessed as provided in this section, by deducting from ~~such~~ the budget estimate or from the sum of two hundred fifty thousand dollars, whichever is less, any amounts received or receivable by the committee from states with laws that do not substantially conform to the method of assessment provided in this section and applying to the remainder the proportion ~~which~~ that the total investments in securities of domestic life insurers bear to the total investments in securities of life insurers domiciled in this and other states with laws that authorize and require assessments on substantially the same basis as provided in this section. The superintendent shall thereafter, as soon as convenient, by notice stating the method of computation thereof, assess

the amount to be paid on account of such expenses, pro rata upon all domestic life insurers in the proportion ~~which~~ that the total investments in securities of each domestic life insurer bear to the total investments in securities of all domestic life insurers. The total investments in securities of any life insurer for purposes of this section shall be the total admitted value of the securities reported as such in its annual statement last filed prior to such assessment with the department or with the supervisory officials of its state of domicile. Upon receipt of ~~such~~ the notice each domestic life insurance company shall within thirty days thereafter pay the amount of the assessment to the superintendent, who shall deposit the amount in the state treasury to the credit of the fund. The superintendent shall make such disbursements from the fund in amounts and at the times determined by the superintendent under ~~his~~ the superintendent's contract with the committee.

The superintendent shall require annually, and at such other times as ~~he~~ the superintendent considers ~~it~~ necessary or advisable, a duly certified audit of receipts and disbursements and statement of assets and liabilities, showing the details of the financial operations of the committee.

Sec. ~~3905.29~~ 3901.77. (A) The superintendent of insurance shall adopt the forms, instructions, and manuals prescribed by the national association of insurance commissioners, for the preparation and filing of statutory financial statements and other financial information. However, the superintendent may by rule adopt modifications to ~~such~~ the prescribed forms, instructions, and manuals as ~~he~~ the superintendent considers necessary.

(B) For circumstances not addressed by the forms, instructions, and manuals prescribed by the national association of insurance commissioners, the superintendent may determine accounting practices and methods for purposes of preparing statutory financial statements and other financial information.

(C) The superintendent shall furnish each domestic insurance company a printed copy of the forms for the filing of statutory financial statements and other financial information required to be made by it.

Sec. ~~3905.09~~ 3901.78. Upon the filing of each of its annual statements, or as soon thereafter as practicable, the superintendent of insurance shall issue to each insurance company or association authorized to do business in this state a certificate that it has complied with the laws of this state. Such certificate of compliance shall also contain a statement of the amounts of the paid-up capital stock, assets, liabilities, income, and expenditures of the company or association for the preceding year, as shown by its annual statement for that year. The superintendent shall issue to each

newly-applying company or association ~~which he~~ that the superintendent finds should be authorized to do business in this state, a certificate that it has complied with the laws of this state, which certificate shall contain a statement of the amounts of its paid-up capital stock, assets, liabilities, income, and expenditures as shown by a financial statement submitted by it, under the oath of its officers.

Sec. ~~3905.11~~ 3901.781. Annually, and before the time of making its report to the superintendent of insurance as required by section ~~3905.12~~ 3901.782 of the Revised Code, each insurance company and association not incorporated under the laws of this state shall publish its certificate of compliance in every county where it has an agency, in a newspaper published and of general circulation in such county.

No newspaper shall be deemed a newspaper of general circulation unless it has been established for at least one year, is printed in the English language, and has a circulation in the county in which it is published as follows:

(A) In a county having at the last preceding federal census a population of not more than thirty thousand, a circulation of six hundred;

(B) In a county having a population of over thirty thousand and not more than fifty thousand, a circulation of eight hundred;

(C) In a county having a population of over fifty thousand and not more than one hundred thousand, a circulation of twelve hundred;

(D) In a county having a population of over one hundred thousand and not more than one hundred fifty thousand, a circulation of two thousand;

(E) In counties having a population of more than one hundred fifty thousand, a circulation of three thousand.

Before publication of any certificate of compliance, the manager, editor, or proprietor of a newspaper shall certify under oath on a prepared blank, furnished ~~him~~ the manager, editor, or proprietor on application by the superintendent ~~of insurance~~, the information prescribed in this section for determining whether it is a newspaper of general circulation, and if such affidavit shows that the newspaper is one of general circulation, the superintendent shall deliver to ~~him~~ the manager, editor, or proprietor a certificate that such newspaper is one of general circulation.

Sec. ~~3905.12~~ 3901.782. On or before the first day of October of each year, each insurance company and association doing business in this state, which company or association is not incorporated under the laws thereof, shall file with the superintendent of insurance, upon blanks prepared and upon application furnished by ~~him~~ the superintendent, a report in writing under oath of its president and secretary showing the counties in which

publication of its certificate of authority to do business was made, the counties in which it had agencies at the time of such publication, and the names of the newspapers in which the publication was made, with a copy of the certificate so published attached thereto.

Sec. ~~3905.13~~ 3901.783. If any insurance company or association mentioned in section ~~3905.12~~ 3901.782 of the Revised Code fails to comply with the laws relating to the publication of the certificate mentioned in ~~such that~~ that section, the superintendent of insurance shall suspend its authority to do business in any county ~~where such~~ in which the publication has not been made, until ~~such the~~ the publication is made, but if it appears that ~~such the~~ the publication has not been made in any county through mistake or oversight, such authority shall not be suspended in the county if ~~such the~~ the publication is made within a time designated by the superintendent.

Sec. ~~3905.14~~ 3901.784. Publication of a certificate of compliance in a newspaper shall not be approved by the superintendent of insurance unless prior to ~~such the~~ the publication ~~he the superintendent~~ has certified that such the newspaper is one published and of general circulation in the county, but if publication has been made in any such newspaper without ~~such the~~ the certification and a report filed as required by section ~~3905.12~~ 3901.782 of the Revised Code, and ~~such the~~ the certificate of the superintendent is procured within the time ~~he the superintendent~~ designates, publication in ~~such the~~ the newspaper shall be approved. The superintendent shall keep a book in which shall be recorded the names of the newspapers so certified as newspapers of general circulation, which book shall be open to inspection, and every such certificate of circulation shall remain in force until revoked, provided that the superintendent may demand further certificates as to the circulation of any such newspaper.

Sec. ~~3905.41~~ 3901.86. (A) When the laws of any other state, district, territory, or nation impose any taxes, fines, penalties, license fees, deposits of money, securities, or other obligations or prohibitions on insurance companies of this state doing business in ~~such that~~ that state, district, territory, or nation, or upon their agents therein, the same obligations and prohibitions shall be imposed upon insurance companies of ~~such the~~ the other state, district, or nation doing business in this state and upon their agents.

When the laws of any other state, district, territory, or nation impose a requirement for countersignature and payment of a fee or commission upon agents of this state for placing any coverage in that state, district, territory, or nation, then the same requirements of countersignature and fee or commission shall be imposed upon agents of that state, district, territory, or nation for placing any coverage in this state.

(B) Beginning on ~~the effective date of this amendment~~ July 1, 1993, twenty per cent of the amount that is collected under division (A) of this section from foreign insurance companies that sell fire insurance to residents of this state shall be paid into the state fire marshal's fund created under section 3737.71 of the Revised Code. The director of commerce, with the approval of the director of budget and management, may increase the percentage described in this division so that it will yield an amount that the director of commerce determines necessary to assist in the maintenance and administration of the office of the fire marshal and in defraying the costs of operating the Ohio fire academy established by section 3737.33 of the Revised Code.

Sec. 3903.81. As used in sections 3903.81 to 3903.93 of the Revised Code:

(A) "Adjusted RBC report" means an RBC report that has been adjusted by the superintendent of insurance in accordance with division (C) of section 3903.82 of the Revised Code.

(B) "Authorized control level RBC" means the number determined under the risk-based capital formula in accordance with the RBC instructions.

(C) "Company action level RBC" means the product of 2.0 and an insurer's authorized control level RBC.

(D) "Corrective order" means an order issued by the superintendent of insurance in accordance with division (B)(3) of section 3903.84 of the Revised Code specifying corrective actions that the superintendent has determined are required.

(E) "Domestic insurer" means any insurance company organized under Chapter 3907. or 3925. of the Revised Code.

(F) "Foreign insurer" means any insurance company licensed under section 3909.01 or 3927.01 of the Revised Code.

(G) "Life or health insurer" means any insurance company licensed under section 3907.08 or 3909.01 of the Revised Code, or a company possessing a certificate of authority pursuant to section 3929.01 of the Revised Code that writes only accident and health insurance.

(H) "Mandatory control level RBC" means the product of .70 and an insurer's authorized control level RBC.

(I) "NAIC" means the national association of insurance commissioners.

(J) "Negative trend" means a negative trend over a period of time for a life or health insurer as determined in accordance with the trend test calculation included in the RBC instructions.

(K) "Property and casualty insurer" means any insurance company that

has a certificate of authority pursuant to section 3929.01 of the Revised Code. "Property and casualty insurer" does not include monoline mortgage guarantee insurers, financial guarantee insurers, or title insurers.

(L) "RBC" means risk based capital.

(M) "RBC instructions" means the RBC report, including risk-based capital instructions, as adopted by the NAIC and as amended by the NAIC from time to time in accordance with the procedures adopted by the NAIC. However, no NAIC amendment to the RBC instructions shall become effective until the superintendent has adopted by rule the RBC instructions as so amended. "RBC instructions" shall also include any modifications adopted by the superintendent, as the superintendent considers to be necessary.

(N) "RBC level" means an insurer's company action level RBC, regulatory action level RBC, authorized control level RBC, or mandatory control level RBC.

(O) "RBC plan" means a comprehensive financial plan containing the elements specified in division (B) of section 3903.83 of the Revised Code.

(P) "Revised RBC plan" means an RBC plan rejected by the superintendent of insurance and then revised by an insurer with or without incorporating the superintendent of insurance's recommendation.

(Q) "RBC report" means the report required by section 3903.82 of the Revised Code.

(R) "Regulatory action level RBC" means the product of 1.5 and an insurer's authorized control level RBC.

(S) "Total adjusted capital" means the sum of both of the following:

(1) An insurer's statutory capital and surplus as determined in accordance with the statutory accounting applicable to the annual statements prepared on a form adopted under section ~~3905.29~~ 3901.77 of the Revised Code, as required to be filed by sections 3907.19, 3909.06, and 3929.30 of the Revised Code;

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

Sec. 3905.01. As used in this chapter:

(A) "Business entity" means a corporation, association, partnership, limited liability company, limited liability partnership, or other legal entity.

(B) "Home state" means the state or territory of the United States, including the District of Columbia, in which an insurance agent maintains the insurance agent's principal place of residence or principal place of business and is licensed to act as an insurance agent.

itionally determined by the superintendent of insurance.

(D) "Insurance agent" or "agent" means any person that, in order to sell, solicit, or negotiate insurance, is required to be licensed under the laws of this state, including limited lines insurance agents and surplus line brokers.

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

(F) "License" means the authority issued by the superintendent to a person to act as an insurance agent for the lines of authority specified, but that does not create any actual, apparent, or inherent authority in the person to represent or commit an insurer.

(G) "Limited line credit insurance" means credit life, credit disability, credit property, credit unemployment, involuntary unemployment, mortgage life, mortgage guaranty, mortgage disability, guaranteed automobile protection insurance, or any other form of insurance offered in connection with an extension of credit that is limited to partially or wholly extinguishing that credit obligation and that is designated by the superintendent as limited line credit insurance.

(H) "Limited line credit insurance agent" means a person that sells, solicits, or negotiates one or more forms of limited line credit insurance to individuals through a master, corporate, group, or individual policy.

(I) "Limited lines insurance" means those lines of authority set forth in divisions (B)(7) to (10) of section 3905.06 of the Revised Code or in rules adopted by the superintendent, or any lines of authority the superintendent considers necessary to recognize for purposes of complying with section 3905.072 of the Revised Code.

(J) "Limited lines insurance agent" means a person authorized by the superintendent to sell, solicit, or negotiate limited lines insurance.

(K) "NAIC" means the national association of insurance commissioners.

(L) "Negotiate" means to confer directly with, or offer advice directly to, a purchaser or prospective purchaser of a particular contract of insurance with respect to the substantive benefits, terms, or conditions of the contract, provided the person that is conferring or offering advice either sells insurance or obtains insurance from insurers for purchasers.

(M) "Person" means an individual or a business entity.

(N) "Sell" means to exchange a contract of insurance by any means, for money or its equivalent, on behalf of an insurer.

(O) "Solicit" means to attempt to sell insurance, or to ask or urge a person to apply for a particular kind of insurance from a particular insurer.

(P) "Superintendent" or "superintendent of insurance" means the superintendent of insurance of this state.

(Q) "Terminate" means to cancel the relationship between an insurance agent and the insurer or to terminate an insurance agent's authority to transact insurance.

(R) "Uniform application" means the NAIC uniform application for resident and nonresident agent licensing, as amended by the NAIC from time to time.

(S) "Uniform business entity application" means the NAIC uniform business entity application for resident and nonresident business entities, as amended by the NAIC from time to time.

Sec. 3905.02. No person shall sell, solicit, or negotiate insurance in this state unless the person is licensed for that line of authority in accordance with this chapter.

Sec. 3905.03. (A) Section 3905.02 of the Revised Code does not apply to any of the following:

(1) Any insurer. For purposes of this division, "insurer" does not include an insurer's officers, directors, employees, subsidiaries, or affiliates.

(2) Any officer, director, or employee of an insurer or of an insurance agent, provided the officer, director, or employee does not receive any commission on policies written or sold to insure risks residing, located, or to be performed in this state and any of the following applies:

(a) The activities of the officer, director, or employee are executive, administrative, managerial, clerical, or any combination thereof, and are only indirectly related to the sale, solicitation, or negotiation of insurance.

(b) The function of the officer, director, or employee relates to underwriting, loss control, inspection, or the processing, adjusting, investigation, or settling of a claim on a contract of insurance.

(c) The officer, director, or employee is acting in the capacity of a special agent or agency supervisor, provided the activities of the officer, director, or employee are limited to providing technical advice and assistance to licensed insurance agents and do not include the sale, solicitation, or negotiation of insurance.

(3) Any person who secures and furnishes information for purposes of group life insurance, group property and casualty insurance, group annuities, or group or blanket accident and health insurance, or for purposes of enrolling individuals under plans, issuing certificates under plans, or otherwise assisting in administering plans, or who performs administrative services related to mass marketed property and casualty insurance, provided that no commission is paid to the person for any of the services described in this division:

(4) Any employer or association, any officer, director, or employee of

an employer or association, or any trustee of an employee trust plan, to the extent that any such person is engaged in the administration or operation of an employee benefits program for the employer's or association's own employees or for the employees of its subsidiaries or affiliates, if both of the following apply:

(a) The employee benefits program involves the use of insurance contracts issued by an insurer.

(b) The employer, association, officer, director, employee, or trustee is not in any manner compensated, either directly or indirectly, by the insurer issuing the insurance contracts.

(5) Any employee of an insurer or of an organization employed by an insurer, if the employee is engaged in the inspection, rating, or classification of risks or in the supervision of the training of insurance agents, and is not individually engaged in the sale, solicitation, or negotiation of insurance;

(6) Any person whose activities in this state are limited to advertising through communications in printed publications or in the electronic mass media, the distribution of which is not limited to residents of this state, if the person does not sell, solicit, or negotiate insurance covering risks residing, located, or to be performed in this state;

(7) Any person who is not a resident of this state and who sells, solicits, or negotiates a contract of insurance covering commercial property and casualty risks located in more than one state, if the person is licensed as an insurance agent to sell, solicit, or negotiate that insurance contract in the state where the insured maintains its principal place of business and the contract insures risks located in that state;

(8) Any salaried full-time employee who counsels or advises the employee's employer with respect to the insurance interests of the employer or of the employer's subsidiaries or business affiliates, if the employee does not sell or solicit insurance or receive a commission;

(9) Any employee of an insurer or of an insurance agent who, at the direction of the insurer or agent, performs any of the following activities:

(a) The acceptance of premiums other than the initial premium;

(b) The gathering of information, such as names, addresses, expiration dates of current insurance, and names of current insurers;

(c) The setting of appointments for insurance agents, provided that the individual setting the appointment does not communicate any information about insurance;

(d) The servicing of existing insurance policies issued by or through the employee's employer, provided the servicing is not part of a solicitation;

(e) The performance of clerical or ministerial duties.

(10) Any employee of a creditor with respect to limited line credit insurance products, as long as the employee of the creditor is not paid by, and does not receive a fee, commission, or any other form of compensation from, an insurance agent or insurance company.

(B) The superintendent of insurance may adopt rules in accordance with Chapter 119. of the Revised Code to set forth the specific acts the performance of which either require or do not require licensure as an insurance agent.

Sec. 3905.04. (A) Except as otherwise provided in section 3905.041 of the Revised Code, a resident individual applying for an insurance agent license for any of the lines of authority described in division (B) of this section shall take a written examination. The examination shall test the knowledge of the individual with respect to the lines of authority for which application is made, the duties and responsibilities of an insurance agent, and the insurance laws of this state. Before admission to the examination, each individual shall pay the nonrefundable fee required under division (D) of section 3905.40 of the Revised Code.

(B) The examination described in division (A) of this section shall be required for the following lines of authority:

(1) Any of the lines of authority set forth in divisions (B)(1) to (6) of section 3905.06 of the Revised Code;

(2) Title insurance;

(3) Surety bail bonds as provided in sections 3905.83 to 3905.95 of the Revised Code;

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

(C) An individual shall not be permitted to take the examination described in division (A) of this section unless one or both of the following apply:

(1) The individual has earned a bachelor's or associate's degree in insurance from an accredited institution.

(2) The individual has completed, for each line of authority for which the individual has applied, twenty hours of study in a program of insurance education approved by the superintendent, in consultation with the insurance agent education advisory council, under criteria established by the superintendent. Division (C) of this section does not apply with respect to title insurance or any other line of authority designated by the superintendent.

(D) An individual who fails to appear for an examination as scheduled, or fails to pass an examination, may reapply for the examination if the

individual pays the required fee and submits any necessary forms prior to being rescheduled for the examination.

(E)(1) The superintendent may, in accordance with Chapter 119. of the Revised Code, adopt any rule necessary for the implementation of this section.

(2) The superintendent may make any necessary arrangements, including contracting with an outside testing service, for the administration of the examinations and the collection of the fees required by this section.

Sec. 3905.041. (A)(1) An individual who applies for a resident insurance agent license in this state within ninety days after establishing a principal place of residence or principal place of business in this state shall not be required under section 3905.04 of the Revised Code to complete a program of insurance education or to pass a written examination if either of the following applies:

(a) The individual is currently licensed in another state and is in good standing for the line or lines of authority requested.

(b) The individual was previously licensed in another state, the individual's application for a resident insurance agent license in this state is received within ninety days after the cancellation of the individual's previous license, and, at the time of license cancellation, the individual was in good standing for the line or lines of authority requested.

(2) To determine an applicant's licensure and standing status in another state, the superintendent of insurance may utilize the producer database maintained by the NAIC or its affiliates or subsidiaries. If that information is not available on the producer database, the superintendent may require a certification letter from the prior home state.

(B) An individual who applies for a temporary insurance agent license in this state shall not be required under section 3905.04 of the Revised Code to complete any prelicensing education or to pass a written examination.

(C) The superintendent may exempt any limited lines insurance from the examination requirement of section 3905.04 of the Revised Code.

Sec. 3905.05. (A) A natural person shall apply for a resident insurance agent license by submitting to the superintendent of insurance the uniform application or any other application prescribed by the superintendent, any additional information required by the superintendent, and a declaration made under penalty of refusal, suspension, or revocation of the license, that the statements made in the application are true, correct, and complete to the best of the applicant's knowledge and belief.

The applicant shall also request a criminal records check conducted by the superintendent of the bureau of criminal identification and investigation

in accordance with section 109.572 of the Revised Code, or other governmental agencies, or other sources, as required and designated by the superintendent of insurance, and direct that the responses to that request be transmitted to the superintendent of insurance, or to the superintendent's designee. If the superintendent of insurance or the superintendent's designee fails to receive a response to a requested criminal records check, or if the applicant fails to request the criminal records check, the superintendent may refuse to issue a license under this section. The applicant shall pay any fee required for conducting the criminal records check.

(B) A business entity acting as an insurance agent shall apply for a resident insurance agent license by submitting to the superintendent of insurance the uniform business entity application or any other application prescribed by the superintendent.

(C) The superintendent may require an applicant to submit any document reasonably necessary to verify the information contained in an application.

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, 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) The applicant is of good reputation and character, 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 if the superintendent finds all of the following:

(a) 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.

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

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

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

(C) A resident insurance agent license shall be perpetual unless surrendered by the licensee or suspended or revoked by the superintendent.

Sec. 3905.061. (A) If a person licensed as an insurance agent under section 3905.06 of the Revised Code changes the person's address within the state, the person shall, within thirty days after making that change, file a change of address with the superintendent of insurance.

(B)(1) If a person licensed as an insurance agent under section 3905.06 of the Revised Code changes the person's state of residence, the person shall, within thirty days after making that change, file a change of address with the superintendent and provide the superintendent with certification

from the new state of residence.

(2) If an insurance agent complies with division (B)(1) of this section, the agent's license shall be changed to that of a nonresident license and no fee or license application shall be required.

Sec. 3905.07. (A) The superintendent of insurance shall issue a nonresident insurance agent license to an applicant that is a nonresident person if the superintendent finds all of the following:

(1) The applicant is currently licensed as a resident and is in good standing in the applicant's home state.

(2) The applicant has submitted the request for licensure prescribed by the superintendent.

(3) The applicant has submitted or has had transmitted to the superintendent the application for licensure that the applicant submitted to the applicant's home state or a completed uniform application or uniform business entity application, as applicable.

(4) 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.

(5) The applicant is of good reputation and character, is honest and trustworthy, and is otherwise suitable to be licensed.

(6) The applicant's home state issues nonresident insurance agent licenses to residents of this state on the same basis as set forth in division (A) of this section.

(B) To determine an applicant's licensure and standing status in another state, the superintendent may utilize the producer database maintained by the NAIC or its affiliates or subsidiaries. If that information is not available on the producer database, the superintendent may require a certification letter from the applicant's home state.

(C) A nonresident insurance agent license shall be perpetual unless surrendered by the licensee or suspended or revoked by the superintendent.

(D) Notwithstanding any other provision of this chapter, a nonresident person licensed as a surplus lines producer in the applicant's home state shall receive a nonresident surplus lines broker license pursuant to division (A) of this section. Nothing in this section otherwise affects or supersedes any provision of sections 3905.30 to 3905.37 of the Revised Code.

Sec. 3905.071. (A)(1) If a nonresident person licensed as a nonresident insurance agent under section 3905.07 of the Revised Code changes the person's address within the person's state of residence, the person shall, within thirty days after making that change, file a change of address with the superintendent of insurance.

(2) If a nonresident person licensed as a nonresident insurance agent under section 3905.07 of the Revised Code changes the person's state of residence or the state in which the person's principal place of business is located, the person shall, within thirty days after making that change, file a change of address with the superintendent and provide the superintendent with certification from the new state of residence or the new state in which the principal place of business is located.

(B) If a nonresident insurance agent complies with division (A) of this section, no fee or license application shall be required.

Sec. 3905.072. Notwithstanding any other provision of this chapter, the superintendent of insurance shall issue to a nonresident person licensed as a limited line credit insurance agent or other type of limited lines insurance agent in the person's home state a nonresident limited lines insurance agent license in accordance with division (A) of section 3905.07 of the Revised Code, with the same scope of authority as the person has under the license issued by the person's home state. However, the recognition of a limited lines authority under this section shall not create any new line of authority.

For purposes of this section, "limited lines insurance" means any authority granted by the home state that is less than the total authority provided in the associated major lines set forth in divisions (B)(1) to (6) of section 3905.06 of the Revised Code.

Sec. 3905.08. (A) The superintendent of insurance shall waive all requirements under this chapter for a nonresident applicant with a valid license from the applicant's home state, except the requirements set forth in sections 3905.07 to 3905.072 of the Revised Code, if the applicant's home state awards nonresident agent licenses to residents of this state on the same basis.

(B) A nonresident insurance agent's satisfaction of the continuing education requirements for insurance agents of the agent's home state shall constitute satisfaction of the continuing education requirements for insurance agents of this state as set forth in section 3905.481 of the Revised Code.

Sec. 3905.081. Notwithstanding any other provision of this chapter, the superintendent of insurance may waive any licensing requirement for nonresident persons that the superintendent determines is in violation of the reciprocity requirements set forth in section 321 of the "Financial Services Modernization Act of 1999," 113 Stat. 1338, 15 U.S.C.A. 6751.

Sec. 3905.09. (A) The superintendent of insurance may issue a temporary insurance agent license to any of the following persons if the superintendent determines that the license is necessary for the servicing of

insurance business:

(1) The surviving spouse or court-appointed personal representative of a licensed insurance agent who dies or becomes mentally or physically disabled, to allow adequate time for the sale of the insurance business owned by the agent or for the recovery or return of the agent to the business, or to provide for the training and licensing of new personnel to operate the agent's business;

(2) A member or employee of a business entity licensed as an insurance agent, upon the death or disability of the sole or remaining licensed insurance agent;

(3) The designee of a licensed insurance agent entering active service in the United States armed forces;

(4) Any other person if the superintendent determines that the public interest will best be served by the issuance of the license.

(B) A temporary license issued under division (A) of this section shall remain in force for a period not to exceed one hundred eighty days. However, a temporary license may not continue in force under any of the circumstances described in division (A) of this section after the owner of the business or the owner's personal representative disposes of the business.

(C) The superintendent may, by order, limit the authority of any temporary license in any way deemed necessary to protect insureds and the public. The superintendent may also, by order, rescind a temporary license if the interests of insureds or the public are endangered.

(D) A temporary licensee shall be sponsored by a licensed insurance agent or insurer, which sponsor shall be responsible for all acts of the licensee. The superintendent may impose any other requirement on temporary licensees that the superintendent considers necessary to protect insureds and the public.

(E) Chapter 119. of the Revised Code shall not apply to the issuance, restriction, or rescission of a temporary license under this section.

Sec. ~~3905.03~~ 3905.10. (A) Any property, casualty, personal, or title agent authorized qualified and licensed as provided in section ~~3905.02~~ of the Revised Code this chapter, and appointed to represent one or more insurance corporations within this state, may appoint as many solicitors as the agent desires to represent the agent and the agent's agency, but the solicitors shall not represent themselves, by advertisement or otherwise, as agents of insurance companies for which their employer may be the authorized agent, and the solicitors shall in all instances represent themselves only as solicitors for the agent.

Each agent that employs a person as (1) To be eligible for appointment,

~~a solicitor shall certify to the superintendent of insurance that the person is competent, financially responsible, and suitable to represent the agent. Upon written notice by any such agent that the agent has employed a person as a solicitor, the superintendent shall issue to the solicitor an appointment in the form prepared by the superintendent, if the superintendent is satisfied that:~~

~~(1) The solicitor is a suitable person and intends to hold self out in good faith as a solicitor.~~

~~(2) The solicitor is honest and trustworthy.~~

~~(3) The solicitor has training or instruction in the business and understands the duties and obligations of a solicitor.~~

~~(4) The solicitor is shall be qualified and licensed as a property, casualty, personal, or title agent under section 3905.02 of the Revised Code, is familiar with the insurance laws, this chapter and is be familiar with the provisions of the policies and contracts of insurance the solicitor proposes to solicit.~~

~~(5) It is not the solicitor's purpose or intention principally to solicit or place insurance on the solicitor's own property or that of relatives, employers, or employees or that for which they or the solicitor is agent, custodian, vendor, bailee, trustee, or payee.~~

~~(6) On and after July 1, 1987, the solicitor has completed the prelicensing educational requirements set forth in section 3905.48 of the Revised Code.~~

~~Notice shall be upon a form furnished by the superintendent and shall be accompanied by a statement under oath by the solicitor which gives the solicitor's name, age, residence, present occupation, the solicitor's occupation for the five years next preceding the date of the notice, the kinds of insurance the solicitor wishes to solicit, and such other information as the superintendent requires, upon a blank furnished by the superintendent.~~

~~(2) An agent qualified and licensed to sell accident and health insurance may appoint a solicitor to solicit accident and health insurance only if both of the following apply:~~

~~(a) The solicitor is qualified and licensed as an accident and health insurance agent.~~

~~(b) The solicitor solicits only accident and health insurance products that are issued and underwritten by an insurer that is authorized to write accident and health insurance and that holds a certificate of authority granted under section 3929.01 of the Revised Code.~~

~~(B) If the solicitor within the preceding two years has not been licensed in this state as an insurance agent for other than life insurance under section 3905.02 of the Revised Code, the solicitor shall submit to an examination as~~

~~to the qualifications set forth in divisions (A)(1) to (5) of this section.~~

~~(C) A solicitor who did not hold a license as solicitor prior to January 1, 1967, may be appointed only if the solicitor is qualified for the same class or classes of insurance for which the agent employing the solicitor is licensed. A solicitor may solicit only those lines of insurance for which both the solicitor and the appointing agent are licensed. No solicitor shall be appointed by more than one agent.~~

Unless the solicitor's license is revoked or suspended by the superintendent of insurance, such appointment may, in the discretion of the superintendent, and at the request of the agent who employs the solicitor and the payment of the required fee, be continued past the thirtieth day of June next after its issue and after the thirtieth day of June each succeeding year. Each agent shall certify to the superintendent, before the thirtieth day of June each year, the names and addresses of the solicitors the agent has employed during the preceding year, indicating those for whom the agent wishes appointments to be continued.

The agent giving written notice shall pay to the superintendent a fee of twenty dollars for every such appointment and for each continuance thereof. The issuance of a solicitor's appointment shall be limited to a natural person.

Sec. 3905.11. An insurance agent that intends to do business in this state under any name other than the agent's legal name shall notify the superintendent of insurance prior to using the assumed name.

Sec. 3905.12. (A) The superintendent of insurance may adopt rules in accordance with Chapter 119. of the Revised Code to do the following:

(1) Establish procedures for the issuance and renewal of insurance agent licenses;

(2) Provide for the issuance of limited authority licenses, and establish any prelicensing education, examination, or continuing education requirements the superintendent considers appropriate for such a license.

(B) To assist the superintendent in carrying out the superintendent's duties under this chapter, the superintendent may contract with any nongovernmental entity, including the NAIC and its affiliates or subsidiaries, to perform any ministerial function related to insurance agent licensing, including the collection of fees, that the superintendent considers to be appropriate.

~~Sec. 3905.49~~ 3905.14. (A) As used in this section sections 3905.14 to 3905.16 of the Revised Code:

(1) "Insurer" has the same meaning as in section 3901.32 of the Revised Code Insurance agent" includes a limited lines insurance agent, surety bail bond agent, and surplus line broker.

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

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

(4) "Surrender for cause" means the voluntary termination of all authority to hold any license as an agent in this state, in lieu of a revocation or suspension order.

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

(B) The superintendent may suspend, revoke, or refuse to issue or renew any license ~~as of an insurance agent, surety bail bond agent, surplus line broker, or limited insurance representative~~ assess a civil penalty, or impose any other sanction or sanctions authorized under this chapter, for one or more of the following reasons:

~~(1) Obtaining or attempting to obtain any license or appointment through misrepresentation~~ Providing incorrect, misleading, incomplete, or fraud, including making any materially untrue statement information in an application for a license or appointment application;

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

~~(3) Misappropriating~~ Obtaining or attempting to obtain a license through misrepresentation or fraud;

~~(4) Improperly withholding, misappropriating, or converting to the person's own use any moneys belonging to policyholders, prospective policyholders, beneficiaries, insurance companies, sureties, principals, money or others property received in the course of the person's doing insurance business;~~

~~(4) Failing to timely submit an application for insurance. For purposes of division (B)(4) of this section, a submission is considered timely if it occurs within the time period expressly provided for by the insurer, or within seven days after the agent accepts a premium or an order to bind from a policyholder or applicant, whichever is later.~~

(5) ~~Knowingly~~ Intentionally misrepresenting the terms, benefits, value, cost, or effective dates of any actual or proposed insurance ~~policy, contract, or bond~~ application for insurance;

(6) ~~Being~~ Having been convicted of a felony;

(7) ~~Being~~ Having been convicted of a misdemeanor that involves the misuse or theft of money or property belonging to another, fraud, forgery, dishonest acts, or breach of a fiduciary duty, ~~or~~ that is based on any act or omission relating to the business of insurance, securities, or financial services, ~~or that involves moral turpitude;~~

(8) ~~Committing an~~ Having admitted to committing, or having been found to have committed, any insurance unfair trade act or practice ~~under any section of Title XXXIX of the Revised Code or any rule adopted thereunder~~ insurance fraud;

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

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

~~(10)~~(11) Forging or causing the forgery of another's name to an application for insurance or any document related to or used in an insurance transaction;

~~(11) Possessing or~~ (12) Improperly using notes or any unauthorized materials during a licensing or continuing education examination or cheating on a licensing or continuing education other reference material to complete an examination for an insurance agent license;

~~(12)~~(13) Knowingly accepting insurance business from an individual who is not licensed;

(14) Failing to comply with any administrative or court order directing payment of state income tax;

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

(16) Failing to disclose to an applicant for insurance or policyholder upon accepting a premium or an order to bind coverage from the applicant or policyholder, that the person has not been appointed as agent by the insurer and is not an appointed solicitor of an appointed agent;

~~(13)~~(17) Having any professional license suspended or revoked as a result of a mishandling of funds or breach of fiduciary responsibilities or having been subject to a cease and desist order or permanent injunction for unlicensed activities;

~~(14)~~(18) Causing or permitting a policyholder or applicant for insurance

to designate the ~~person~~ insurance agent or the ~~person's~~ insurance agent's spouse, parent, child, or sibling as the beneficiary of a policy or annuity sold by the ~~person~~ insurance agent, unless the ~~person~~ insurance agent or a relative of the ~~person~~ insurance agent is the insured or applicant;

~~(15)~~(19) Failing to provide a written response to the department of insurance within ~~thirty~~ twenty-one calendar days after receipt of any written inquiry from the department, unless a reasonable extension of time has been requested of, and granted by, the superintendent;

~~(16)~~ Failing to notify the superintendent of any change in the person's address, within thirty days after the change occurs, as required by section 3905.54 of the Revised Code;

~~(17)~~(20) Transferring or placing insurance with an insurer other than the insurer expressly chosen by the applicant for insurance or policyholder without the consent of the applicant or policyholder or absent extenuating circumstances;

~~(18)~~ Engaging in any fraudulent, dishonest, or coercive practice in connection with the business of insurance;

~~(19)~~(21) Failing to inform a policyholder or applicant for insurance of the identity of the insurer or insurers, or the identity of any other insurance agent, ~~general agent, surplus line broker,~~ or licensee known to be involved in procuring, placing, or continuing the insurance for the policyholder or applicant, upon the binding of the coverage;

~~(20)~~(22) In the case of an agent that is a ~~corporation, limited liability company, or partnership~~ business entity, failing to report an individual licensee's violation to the department when the violation was known or should have been known by one or more of the partners, officers, managers, or members of the ~~corporation, limited liability company, or partnership~~ business entity;

~~(21)~~(23) Submitting or using a document in the conduct of the business of insurance when the person knew or should have known that the document contained the forged signature of another person;

~~(22)~~(24) Misrepresenting the person's qualifications or using in any way a professional designation that has not been conferred upon the person by the appropriate accrediting organization;

~~(23)~~(25) Obtaining a premium loan or causing a premium loan to be made to or in the name of an insured without that person's knowledge and written authorization;

~~(24)~~ Failing to notify the superintendent of any disciplinary action taken by the insurance authority of another state, within sixty days after the action was taken, as required by section 3905.54 of the Revised Code;

~~(25) Failing to file any of the reports or notices required under this chapter;~~

~~(26) Submitting an application for insurance, or causing the issuance of an insurance policy or contract, on behalf of an applicant who did not request or authorize the insurance. Division (B)(26) of this section does not apply to any policy issued by an other than life insurance company.~~

~~(27)~~(26) Using paper, software, or any other materials of or provided by an insurer after the insurer has terminated the authority of the licensee, if the use of such materials would cause a reasonable person to believe that the licensee was acting on behalf of or otherwise representing the insurer;

~~(28) Providing misleading, deceptive, or untrue information to an applicant for insurance or a policyholder regarding a particular insurance agent, company, or product;~~

~~(29)~~(27) Soliciting, procuring an application for, or placing, either directly or indirectly, any insurance policy when the person is not authorized under this chapter to engage in such activity;

~~(30)~~(28) Soliciting, marketing, or selling any product or service that offers benefits similar to insurance but is not regulated by the superintendent, without fully disclosing to the prospective purchaser that the product or service is not insurance and is not regulated by the superintendent;

~~(31)~~(29) Failing to fulfill a refund obligation to a policyholder or applicant in a timely manner. For purposes of division (B)~~(31)~~(29) of this section, a rebuttable presumption exists that a refund obligation is not fulfilled in a timely manner unless it is fulfilled within one of the following time periods:

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

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

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

~~(32) The presumption may be rebutted by proof that the policyholder or applicant consented to the delay or agreed to permit the agent to apply the refund to amounts due for other coverages.~~

~~(30)~~ With respect to a surety bail bond agent license, rebating or offering to rebate, or unlawfully dividing or offering to divide, any commission;

~~(31)~~ Using a license for the principal purpose of procuring, receiving, or forwarding applications for insurance of any kind, other than life, or

soliciting, placing, or effecting such insurance directly or indirectly upon or in connection with the property of the licensee or that of relatives, employers, employees, or that for which they or the licensee is an agent, custodian, vendor, bailee, trustee, or payee;

(32) In the case of an insurance agent that is a business entity, using a life license for the principal purpose of soliciting or placing insurance on the lives of the business entity's officers, employees, or shareholders, or on the lives of relatives of such officers, employees, or shareholders, or on the lives of persons for whom they, their relatives, or the business entity is agent, custodian, vendor, bailee, trustee, or payee;

(33) Offering within this state, in person or by advertisement, poster, letter, circular, or otherwise, to sell, procure, or obtain policies, contracts, agreements, or applications for life insurance or annuities providing fixed, variable, or fixed and variable benefits, or contractual payments, or any form of sickness and accident insurance, for or on behalf of any life insurance corporation, association, or organization, or mutual protective or mutual benefit association or organization, not authorized to transact business in this state, or for or on behalf of any spurious, fictitious, nonexistent, dissolved, inactive, liquidated or liquidating, or bankrupt life insurance corporation, association, or organization, or mutual protective or mutual benefit association or organization.

(C) Before denying, revoking, suspending, or refusing to issue any license or imposing any penalty under this section ~~or section 3905.482 of the Revised Code~~, the superintendent shall provide the licensee or applicant with notice and an opportunity for hearing as provided in Chapter 119. of the Revised Code, except as follows:

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

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

(b) If the certified mail envelope is returned with an endorsement showing that service was refused, or that the envelope was unclaimed, the notice and all subsequent notices required by Chapter 119. of the Revised Code may be served by ordinary mail to the last known address of the licensee or applicant. The mailing shall be evidenced by a certificate of mailing. Service is deemed complete as of the date of such certificate

ed that the ordinary mail envelope is not returned by the postal authorities with an endorsement showing failure of delivery. The time period in which to request a hearing, as provided in Chapter 119. of the Revised Code, begins to run on the date of mailing.

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

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

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

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

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

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

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

(2) Assess administrative costs to cover the expenses incurred by the department in the administrative action, including costs incurred in the investigation and hearing processes. Any costs collected shall be paid into the state treasury to the credit of the department of insurance operating fund created in section 3901.021 of the Revised Code.

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

(4) Permanently revoke all of the person's licenses for all lines of

insurance;

(5) Refuse to issue a license;

(6) Refuse to renew a license;

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

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

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

(E) The superintendent may consider the following factors in denying a license, imposing suspensions, revocations, fines, or other penalties, and issuing orders under this section:

(1) Whether the person acted in good faith;

(2) Whether the person made restitution for any pecuniary losses suffered by other persons as a result of the person's actions;

(3) The actual harm or potential for harm to others;

(4) The degree of trust placed in the person by, and the vulnerability of, persons who were or could have been adversely affected by the person's actions;

(5) Whether the person was the subject of any previous administrative actions by the superintendent;

(6) The number of individuals adversely affected by the person's acts or omissions;

(7) Whether the person voluntarily reported the violation, and the extent of the person's cooperation and acceptance of responsibility;

(8) Whether the person obstructed or impeded, or attempted to obstruct or impede, the superintendent's investigation;

(9) The person's efforts to conceal the misconduct;

(10) Remedial efforts to prevent future violations;

(11) If the person was convicted of a criminal offense, the nature of the

offense, whether the conviction was based on acts or omissions taken under any professional license, whether the offense involved the breach of a fiduciary duty, the amount of time that has passed, and the person's activities subsequent to the conviction;

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

(F)(1) A violation described in division (B)(1), (2), (3), ~~(4)~~, (5), (6), (7), (8), (9), (10), (11), (12), (13), (14), (16), (17), (18), ~~(19)~~, (20), (21), (22), (23), ~~(24)~~, (25), (26), (27), (28), (29), (30), (31), ~~or (32)~~, or (33) of this section is a class A offense for which the superintendent may impose any penalty set forth in division (D) of this section.

(2) A violation described in division (B)~~(4)~~, (15), ~~(16)~~, or ~~(24)~~(19) of this section, or a failure to comply with section 3905.061, 3905.071, or 3905.22 of the Revised Code, is a class B offense for which the superintendent may impose any penalty set forth in division (D)(1), (2), (8), or (9) of this section.

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

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

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

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

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

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

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

(2) Injunctive relief;

(3) Restitution;

(4) Any other appropriate relief.

(I) With respect to a surety bail bond agent license:

(1) Upon the suspension or revocation of a license, or the eligibility of a surety bail bond agent to hold a license, the superintendent likewise may suspend or revoke the license or eligibility of any surety bail bond agent who is employed by or associated with that agent and who knowingly was a party to the act that resulted in the suspension or revocation.

(2) The superintendent may revoke a license as a surety bail bond agent if the licensee is adjudged bankrupt.

~~(J) This section applies to both resident and nonresident agents who are licensed under this chapter.~~

~~(K) Nothing in this section shall be construed to create or imply a private cause of action against an agent, solicitor, or insurer.~~

Sec. ~~3905.49~~ 3905.15. (A) Upon written application of a person whose license was denied, suspended, revoked, or surrendered for cause under section ~~3905.49~~ 3905.14 of the Revised Code, the superintendent of insurance shall hold a hearing to determine whether the administrative action imposing ~~such the denial~~, suspension, revocation, or surrender should be modified, provided that all of the following conditions are met:

(1) At least five years have elapsed since the date of the administrative action sought to be modified;

(2) At least two years have elapsed since any previous request for a modification was made under this section;

(3) The burden of proof is on the person requesting the modification.

(B) The modification of an order issued or consent agreement entered into under section ~~3905.49~~ 3905.14 of the Revised Code is at the discretion of the superintendent. The superintendent may modify such an order or agreement if the superintendent finds all of the following:

(1) At least five years have elapsed since the date of the administrative

action;

(2) The person is of good business repute and is suitable to be an insurance agent;

(3) The person has made restitution for all pecuniary losses suffered by any person as a result of the conduct that gave rise to the administrative action;

(4) The person has not been convicted of any felony or of any misdemeanor described in division (B)(7) of section ~~3905.49~~ 3905.14 of the Revised Code unless the conviction was the subject of a previous administrative action by the superintendent;

(5) The circumstances surrounding the previous violation are such that it is unlikely the person would commit such offenses in the future;

(6) The person's character has been rehabilitated.

(C) The issuance of any license pursuant to a modification under this section shall be conditioned upon the successful completion of all prelicensing education and examination requirements.

Sec. ~~3905.012~~ 3905.16. (A)(1) Except as provided in division (A)(2) of this section, any person licensed as an agent under ~~section 3905.02 or 3905.18 of the Revised Code, or appointed as a solicitor under section 3905.03 of the Revised Code,~~ this chapter may at any time surrender any or all licenses held by the person.

(2) No agent shall surrender the agent's licenses if the superintendent of insurance is investigating any allegation of wrongdoing by the agent or has initiated proceedings under Chapter 119. of the Revised Code and notice of an opportunity for a hearing has been issued to the agent, and any attempt to so surrender is invalid.

~~(B)(1) If an insurer or agent cancels the appointment of an agent or solicitor due to suspected fraud, misrepresentation, theft, conversion, or any other culpable misappropriation, the insurer or agent shall promptly notify the superintendent. The notice shall include a complete statement of the facts and the reasons for the cancellation.~~

~~(2) In the absence of fraud or actual malice, an insurer or agent is immune from any civil liability that otherwise might be incurred or imposed as a result of any action taken by the insurer or agent to comply with division (B)(1) of this section.~~

~~(C)~~ If an agent's license is surrendered, revoked, or suspended, all appointments held by the agent are void. If a new license is issued to that person or if that person's previous license is reinstated, any appointment of the person to represent an insurer ~~or agent~~ must be made in accordance with the requirements of this chapter.

~~(D)~~(C)(1) Any agent, other than a ~~corporation, partnership, or limited liability company~~ business entity, who is no longer engaged in the business of insurance in any capacity for which an agent's license is required may apply to the superintendent for inactive status. The superintendent may grant such status only if the superintendent is satisfied that the person is not engaged in and does not intend to engage in any of the activities set forth in section ~~3905.04~~ 3905.02 of the Revised Code that requires an agent's license.

(2) A person who has been granted inactive status is exempt from any continuing education requirements imposed under this chapter.

(3) The superintendent may adopt rules in accordance with Chapter 119. of the Revised Code to establish procedures for applying for inactive status, criteria used to determine eligibility for such status, and standards and procedures for transferring from inactive to active status.

~~(E)~~(D) The superintendent may suspend or revoke a license, or take any other disciplinary action authorized by this chapter, regardless of whether the person is appointed or otherwise authorized to represent an insurer or agent.

Sec. 3905.18. (A) Neither an insurer nor an insurance agent shall pay a commission, service fee, brokerage fee, or other type of consideration to a person for selling, soliciting, or negotiating insurance in this state, if the person is required to be licensed by the superintendent of insurance under this chapter but is not so licensed. However, renewal or other deferred commissions may be paid to such a person for selling, soliciting, or negotiating insurance in this state if the person was required to be licensed under this chapter at the time of the sale, solicitation, or negotiation and was so licensed at that time.

(B) An insurer shall not pay a commission, service fee, brokerage fee, or other type of consideration to an insurance agent for selling, soliciting, or negotiating insurance in this state, if the insurance agent is required to be appointed by the insurer but is not so appointed.

(C) An insurer or insurance agent may pay or assign a commission, service fee, brokerage fee, or other type of consideration to an insurance agency or to any person who does not sell, solicit, or negotiate insurance in this state, unless the payment or assignment is prohibited by division (B)(7) of section 3901.211 or by section 3911.20, 3933.01, or 3999.22 of the Revised Code.

(D) No insurer or insurance agent shall pay a commission, referral fee, or other compensation to an unlicensed person for any referral unless the compensation is a fixed dollar amount for each referral and does not depend

on whether the person referred purchases an insurance product.

Sec. 3905.181. A person shall not accept a commission, service fee, brokerage fee, or other type of consideration for selling, soliciting, or negotiating insurance in this state if that person is required to be licensed under this chapter and is not so licensed.

Sec. ~~3905.181~~ 3905.182. No person licensed to sell life insurance under section ~~3905.18~~ of the Revised Code ~~this chapter~~, although also licensed to sell securities under section 1707.32 of the Revised Code, shall sell, or receive any compensation in regard to the sale of, any shares of capital stock of any life insurance company or agency for which he ~~the person~~ is ~~licensed~~ appointed to sell life insurance, or of any issuer ~~which that~~ owns or controls more than one fourth of the shares of any of such companies, or any rights or options to acquire any of such shares. 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.

Sec. 3905.20. (A) An insurance agent shall not act as an agent of an insurer unless the insurance agent is appointed as an agent of the insurer. An insurance agent who does not act as an agent of an insurer shall not be required to be appointed as an agent of the insurer.

For purposes of this division, an insurance agent acts as an agent of an insurer when the insurance agent sells, solicits, or negotiates any product of the insurer and is compensated directly by the insurer.

(B)(1) To appoint an insurance agent as its agent, an insurer shall file a notice of appointment with the superintendent of insurance not later than thirty days after the date the agency contract is executed or the first insurance application is submitted, whichever is earlier. The notice of appointment shall be provided in the manner prescribed by the superintendent.

Each insurer shall pay to the superintendent a fee of twenty dollars for every such appointment when issued and for each continuance thereafter. Such an appointment, unless canceled by the insurer, may be continued in force past the thirtieth day of June next after its issue and after the thirtieth day of June of each succeeding year, unless a different date is determined by the superintendent.

A separate appointment and fee are required for a variable life and variable annuity products line of authority.

(2) By appointing an insurance agent, an insurer certifies to the superintendent that the person is competent, financially responsible, and

suitable to represent the insurer.

(3) While an appointment remains in force, an insurer shall be bound by the acts of the person named in the appointment within that person's actual and apparent authority as its agent.

(C) The superintendent may, in accordance with Chapter 119. of the Revised Code, adopt rules to establish appointment procedures, including cancellations and renewals, to clarify the circumstances that require an appointment, and to provide for the appointment of insurance agents to some or all of the insurers within an insurer's holding company system or group.

Sec. 3905.201. (A) Each insurer that sells, solicits, or negotiates any form of limited line credit insurance shall provide a program of instruction to each insurance agent whose duties will include selling, soliciting, or negotiating limited line credit insurance. The program of instruction shall be provided to the insurance agent prior to the agent's appointment by the insurer.

(B) The superintendent may require prior review and approval of any program of instruction provided under division (A) of this section.

Sec. 3905.21. (A) An insurer or authorized representative of an insurer that terminates the appointment, employment, contract, or other insurance business relationship with an insurance agent shall notify the superintendent of insurance, in the manner prescribed by the superintendent, within thirty days after the effective date of the termination. The insurer shall provide any additional information, documents, records, or other data relating to the termination or activity of the insurance agent that the superintendent requests in writing.

(B) If the termination of an insurance agent is for any of the reasons set forth in division (B) of section 3905.14 of the Revised Code, the insurer or authorized representative of the insurer shall promptly notify the superintendent, in the manner prescribed by the superintendent, of any additional information the insurer discovers upon further review or investigation, which information would have been provided to the superintendent in accordance with division (A) of this section had the insurer known of its existence.

(C)(1) An insurer, within fifteen days after notifying the superintendent in accordance with division (A) or (B) of this section, shall mail a copy of the notification to the insurance agent at the agent's last known address. If the insurance agent was terminated for any of the reasons set forth in division (B) of section 3905.14 of the Revised Code, the notification shall be sent by certified mail, return receipt requested, postage prepaid, or by

overnight delivery using a nationally recognized carrier.

(2) An insurance agent, within thirty days after receiving a copy of a notification pursuant to division (C)(1) of this section, may file written comments concerning the substance of the notification with the superintendent. If an insurance agent files such comments with the superintendent, the agent shall, at the same time, provide a copy of the comments to the insurer. Comments filed with the superintendent shall become part of the superintendent's file on the insurance agent and shall accompany every copy of any report distributed or disclosed for any reason about the agent.

Sec. 3905.211. (A) In the absence of actual malice, an insurer, the authorized representative of an insurer, an insurance agent, the superintendent of insurance, or any organization of which the superintendent is a member, which organization compiles the information provided pursuant to section 3905.21 of the Revised Code and makes it available to other insurance commissioners or to regulatory or law enforcement agencies, is immune from any civil liability that otherwise might be incurred or imposed as a result of either of the following:

(1) Any statement required by section 3905.21 of the Revised Code or any information relating to any such statement, which information may be requested in writing by the superintendent;

(2) Any statement of an insurer that has terminated an insurance agent to an insurer or agent, or any statement of an insurance agent to an insurer or agent, which statement is limited solely to whether a termination for any of the reasons set forth in division (B) of section 3905.14 of the Revised Code was reported to the superintendent, provided the propriety of any such termination is certified in writing by an officer or authorized representative of the insurer or agent terminating the relationship.

(B) In any action brought against a person that may have immunity under division (A) of this section for making any statement required by section 3905.21 of the Revised Code or providing any information relating to any such statement, which information may have been requested in writing by the superintendent, the party bringing the action shall plead specifically in any allegation that division (A) of this section does not apply because the person making the statement or providing the information did so with malice.

(C) Nothing in this section shall abrogate or modify any statutory or common law privilege or immunity that otherwise applies.

Sec. 3905.212. The superintendent of insurance may, in accordance with Chapter 119. of the Revised Code, suspend or revoke the certificate of

authority or license of any person that fails to comply with section 3905.21 of the Revised Code or that has been found by a court of competent jurisdiction to have made the statements or provided the information required under that section with actual malice. Any such person is also subject to the civil penalty authorized under section 3905.14 of the Revised Code.

Sec. 3905.22. (A) An insurance agent shall provide notice to the superintendent of insurance of any administrative action taken against the agent in another jurisdiction or by another governmental agency having professional, occupational, or financial licensing authority within thirty days after the final disposition of the matter. The notice shall include a copy of the order, consent to order, or any other relevant legal document.

(B) An insurance agent shall provide notice to the superintendent of any criminal prosecution of the agent by any jurisdiction, other than misdemeanor traffic, within thirty days after the agent's initial appearance before a judge or magistrate. The notice shall include a certified copy of the charging document. Within thirty days after the disposition of the criminal prosecution, the agent shall provide to the superintendent a certified copy of the court's entry or order that reflects the final disposition of the prosecution, and any other relevant legal documents.

~~Sec. 3905.492~~ 3905.24. (A)(1) All records and other information obtained by the superintendent of insurance or the superintendent's deputies, examiners, assistants, or other employees, or agents relating to an investigation of an applicant for licensure under this chapter, or of an agent, solicitor, broker, or other person licensed or appointed under this chapter or Chapter 3951., 3957., or 3959. of the Revised Code, are confidential and are not public records as defined in section 149.43 of the Revised Code until the applicant ~~or~~ licensee, or appointee is provided notice and opportunity for hearing pursuant to Chapter 119. of the Revised Code with respect to such records or information. If no administrative action is initiated with respect to a particular matter about which the superintendent obtained records or other information as part of an investigation, all such records and information relating to that matter shall remain confidential for three years after the file on the matter is closed.

(2) Division (A)(1) of this section applies only to investigations that could result in administrative action under Title XVII or XXXIX or Chapter 119. of the Revised Code.

(B) The records and other information described in division (A) of this section shall remain confidential for all purposes except when it is appropriate for the superintendent and the superintendent's deputies,

examiners, assistants, or other employees, or agents to take official action regarding the affairs of the applicant ~~or~~ licensee, or appointee or in connection with actual or potential criminal proceedings.

(C) Employees or agents of the department of insurance shall not be required by any court in this state to testify in a civil action, if such testimony concerns any matter related to records or any other information considered confidential under this section of which they have knowledge.

(D) This section does not apply to any complaint or action ~~under~~ relating to a violation described in division (B)(31) or (32) of section ~~3905.04~~ 3905.14 of the Revised Code.

Sec. 3905.26. (A) The superintendent of insurance may participate, in whole or in part, with the NAIC or any of its affiliates or subsidiaries, in a centralized agent license registry in which insurance agent licenses and appointments are centrally or simultaneously effected for all states that require an insurance agent license and that participate in the registry.

(B) The superintendent may adopt rules in accordance with Chapter 119. of the Revised Code to adopt any uniform standard or procedure necessary for participation in the centralized agent license registry. Such rules may provide for the central collection of all fees for licenses or appointments processed through the registry.

Sec. 3905.28. The superintendent of insurance may adopt rules in accordance with Chapter 119. of the Revised Code to carry out the purposes of sections 3905.01 to 3905.28 of the Revised Code.

~~Sec. 3905.06~~ 3905.29. Sections 3905.01 to ~~3905.06~~ 3905.28 of the Revised Code do not apply to associations organized and operating under sections 3939.01 to 3939.09 of the Revised Code.

Sec. 3905.30. The superintendent of insurance may issue a surplus line broker's license to any natural person who is a resident of this or any other state or a province of Canada, or to any corporation, partnership, or limited liability company a business entity that is organized under the laws of this or any other state or a province of Canada. ~~The applicant must have been licensed as a multiple line agent~~ To be eligible for at least two years prior to making application for the a surplus line broker's license, a person must have both a property license and a casualty license. A surplus line broker's license permits the person named in the license to negotiate for and obtain insurance, other than life insurance, on property or persons in this state ~~in~~ from insurers not authorized to transact business in this state. Each such license expires on the thirty-first day of January next after the year in which it is issued, and may be then renewed.

Sec. 3905.31. No person not licensed under section 3905.30 of the

Revised Code shall take or receive any application for such insurance upon property or persons in this state, or receive or collect a premium or any part thereof for any unauthorized insurance company, or attempt or assist in any such act, or perform any act in this state concerning any policy or contract of insurance of any unauthorized insurance company provided that any duly licensed ~~full multiple line~~ property and casualty agent may place business with an agent licensed under section 3905.30 of the Revised Code and may accept compensation therefor, if such insurance is written in conformity with the insurance laws of this state. This section does not apply to those engaged in the act of adjusting claims or losses in connection with any policy of insurance written under the provisions of sections 3905.30 to 3905.35, ~~inclusive~~, of the Revised Code.

Sec. 3905.34. Each person licensed under section 3905.30 of the Revised Code shall keep a separate account of the business done under the person's license. ~~Within thirty days after~~ On or before the end thirty-first day of each quarter January, each surplus line broker shall file ~~that account~~ with the superintendent of insurance the portion of that account that details business done during the preceding calendar year. The account must show the amount of such insurance, the name of the insured, a brief description of the type of insurance, the location of the property, the gross premium charged, the name of the insurer, the date of the policy and term thereof, and a report in the same detail of all such policies canceled and the gross return premiums thereon.

Sec. 3905.36. Every insured association, company, corporation, or other person that enters, directly or indirectly, into any agreements with any insurance company, association, individual, firm, underwriter, or Lloyd, not authorized to do business in this state, whereby the insured shall procure, continue, or renew contracts of insurance covering subjects of insurance resident, located, or to be performed within this state, with such unauthorized insurance company, association, individual, firm, underwriter, or Lloyd, for which insurance there is a gross premium, membership fee, assessment, dues, or other consideration charged or collected, shall annually, on or before the ~~first~~ thirty-first day of ~~July~~ January, return to the superintendent of insurance a statement under oath showing the name and address of the insured, name and address of the insurer, subject of the insurance, general description of the coverage, and amount of gross premium, fee, assessment, dues, or other consideration for such insurance for the preceding twelve-month period and shall at the same time pay to the treasurer of state a tax of five per cent of such gross premium, fee, assessment, dues, or other consideration, after a deduction for return

premium, if any, as calculated on a form prescribed by the treasurer of state. All taxes collected under this section by the treasurer of state shall be paid into the general revenue fund. If the tax is not paid when due, the tax shall be increased by a penalty of twenty-five per cent. An interest charge computed as set forth in section 5725.221 of the Revised Code shall be made on the entire sum of the tax plus penalty, which interest shall be computed from the date the tax is due until it is paid. For purposes of this section, payment is considered made when it is received by the treasurer of state, irrespective of any United States postal service marking or other stamp or mark indicating the date on which the payment may have been mailed. This section does not apply to:

(A) Insurance obtained pursuant to sections 3905.30 to 3905.35 of the Revised Code;

(B) Transactions in this state involving a policy solicited, written, and delivered outside this state covering only subjects of insurance not resident, located, or to be performed in this state at the time of issuance, provided such transactions are subsequent to the issuance of the policy;

(C) Attorneys-at-law acting on behalf of their clients in the adjustment of claims or losses;

(D) Any insurance company underwriter issuing contracts of insurance to employer insureds or contracts of insurance issued to an employer insured. For purposes of this section an "employer insured" is an insured:

(1) Who procures the insurance of any risk or risks by use of the services of a full-time employee acting as an insurance manager or buyer or the services of a regularly and continuously qualified insurance consultant. As used in division (D)(1) of this section, a "regularly and continuously qualified insurance consultant" does not include any person licensed under Chapter 3905. of the Revised Code.

(2) Whose aggregate annual premiums for insurance on all risks total at least twenty-five thousand dollars; and

(3) Who has at least twenty-five full-time employees.

Each person licensed under section 3905.30 of the Revised Code shall pay to the treasurer of state, on or before the thirty-first day of January of each year, five per cent of the balance of the gross premiums charged for insurance placed or procured under the license after a deduction for return premiums, as reported on a form prescribed by the treasurer of state. The tax shall be collected from the insured by the surplus line broker who placed or procured the policy of insurance at the time the policy is delivered to the insured. No license issued under section 3905.30 of the Revised Code shall be renewed until payment is made. If the tax is not paid when due, the tax

shall be increased by a penalty of twenty-five per cent. An interest charge computed as set forth in section 5725.221 of the Revised Code shall be made on the entire sum of the tax plus penalty, which interest shall be computed from the date the tax is due until it is paid. For purposes of this section, payment is considered made when it is received by the treasurer of state, irrespective of any United States postal service marking or other stamp or mark indicating the date on which the payment may have been mailed.

Sec. ~~3905.26~~ 3905.40. There shall be paid to the superintendent of insurance the following fees:

(A) Each insurance company doing business in this state shall pay:

(1) For filing a copy of its charter or deed of settlement, two hundred fifty dollars;

(2) For filing each statement, twenty-five dollars;

(3) For each certificate of authority or license, and certified copy thereof, five dollars;

(4) For each copy of a paper filed in ~~his~~ the superintendent's office, twenty cents per page;

(5) For issuing certificates of deposits or certified copies thereof, five dollars for the first certificate or copy and one dollar for each additional certificate or copy;

(6) For issuing certificates of compliance or certified copies thereof, twenty dollars;

(7) For affixing the seal of office and certifying documents, other than those enumerated herein, two dollars.

(B) Each life insurance company doing business in this state shall pay for annual valuation of its policies, one cent on every one thousand dollars of insurance.

(C) Each foreign insurance company doing business in this state shall pay for making and forwarding annually, semiannually, and quarterly the interest checks and coupons accruing upon bonds and securities deposited, fifty dollars each year on each one hundred thousand dollars deposited.

(D) Each ~~appointee or~~ applicant for licensure as an insurance agent, ~~solicitor, or life insurance agent~~ shall pay ten dollars before admission to any examination required by the superintendent ~~of insurance~~. Such fee shall not be paid by the appointing insurance company ~~or agent~~.

(E) Each domestic mutual life insurance company shall pay for verifying that any amendment to its articles of incorporation was regularly adopted, two hundred fifty dollars with each application for verification. Any such amendment shall be considered to have been regularly adopted when approved by the affirmative vote of two-thirds of the policyholders

resent in person or by proxy at any annual meeting of policyholders or at a special meeting of policyholders called for that purpose.

Sec. ~~3905.52~~ 3905.401. The valuation fee specified in division (B) of section ~~3905.26~~ 3905.40 of the Revised Code does not apply to reinsurance ceded to affiliated companies.

Sec. ~~3905.27~~ 3905.41. The superintendent of insurance may open an account in the name of each insurance company authorized to do business in this state and in the name of any authorized insurance agent, and charge the accounts with all fees incurred by such companies or agents in accordance with sections ~~3905.02, 3905.03, 3905.07, 3905.26~~ 3905.10, 3905.20, 3905.40, 3919.26, and 3931.03 of the Revised Code, and other statutes imposing fees. The statutory fee for each service requested shall be charged against the proper account ~~forthwith~~ immediately upon the rendition of the service.

Not later than the tenth day of each calendar month the superintendent shall render an itemized statement to each company or agent whose account has been charged during the month next preceding, showing the amount of all fees charged during that month and demanding that payment thereof be made not later than the first day of the month next following.

The failure of any insurance company within that time to pay the amount of such fees in accordance with the monthly statement, or, if the statement or account is found to be incorrect, in accordance with a corrected monthly statement rendered by the superintendent, is grounds for the revocation of its certificate of authority to do business in this state. In the event of such an order of revocation, the superintendent shall ~~forthwith~~ immediately cause a notice thereof to be published once in at least one newspaper at the seat of the government and also, if a domestic company, once in at least one newspaper published in the county where its home office is located, or, if a foreign or alien company, once in at least one newspaper published in a county of this state where an agency of the company is located. After the publication of the notice, no agent of the company shall procure applications for insurance or issue policies.

In the event of the failure of any agent within the time fixed to pay the amount of fees charged against the agent's account in accordance with the monthly statement rendered by the superintendent, the agent's license may be revoked in the manner provided by ~~sections 3905.02 and 3905.18~~ section 3905.14 of the Revised Code.

Sec. 3905.482. (A) The superintendent of insurance shall suspend the agent's license of any person who fails to meet the requirements of section 3905.481 of the Revised Code and has not been granted under division (B)

of this section an extension of time within which to complete the requirements. The suspension shall become effective upon sixty days' written notice to the person. The notice shall be sent by ordinary mail to the person's residential address on the licensing records of the department of insurance. During this sixty-day period, the person may provide proof of compliance with the requirements of section 3905.481 of the Revised Code. If the person fails to demonstrate such compliance in a manner and form acceptable to the superintendent, the superintendent shall suspend the person's license. The suspension shall continue until the person demonstrates to the satisfaction of the superintendent that the person has complied with the requirements of section 3905.481 of the Revised Code and all other provisions of this chapter. However, the superintendent shall may revoke the license if the person fails to demonstrate such compliance within ~~six months~~ one year after the conclusion of the immediately preceding twenty-four-month compliance period and has not been granted under division (B) of this section an extension of time within which to complete the requirements. ~~Any person whose license has been revoked under this division and who desires to hold a license as an agent under this chapter shall apply for a new agent's license in accordance with the requirements of this chapter.~~

(B) If a person cannot meet the requirements of section 3905.481 of the Revised Code due to a disability or inactivity due to special circumstances, the superintendent may grant the person a reasonable extension of time to enable the person to comply with the requirements of section 3905.481 of the Revised Code for the period of the disability or inactivity. The superintendent may revoke the license if the person fails to demonstrate such compliance within that time period.

(C) Before revoking ~~or suspending~~ any agent's license under this section, the superintendent shall provide the licensee notice and an opportunity for a hearing in accordance with Chapter 119. of the Revised Code. Any person whose license has been revoked under this section and who desires to hold a license as an insurance agent under this chapter shall apply for a new insurance agent's license in accordance with the requirements of this chapter.

(D) The superintendent may adopt rules in accordance with Chapter 119. of the Revised Code relative to the manner and form of demonstrating compliance with the requirements of section 3905.481 of the Revised Code that are acceptable to the superintendent for purposes of this section.

Sec. 3905.483. (A) There is hereby created the insurance agent education advisory council to advise the superintendent of insurance in

carrying out the duties imposed under sections ~~3905.48~~ 3905.04 and 3905.481 to 3905.486 of the Revised Code.

(B) The council shall be composed of the superintendent, or the superintendent's designee, and ~~eleven~~ twelve members appointed by the superintendent, as follows:

(1) One representative of the association of Ohio life insurance companies;

(2) One representative of the independent insurance agents of Ohio;

(3) One representative of the Ohio association of health underwriters;

(4) One representative of the Ohio association of life underwriters;

(5) One representative of the Ohio insurance institute;

(6) One representative of the professional insurance agents association of Ohio;

(7) One representative of the Ohio land title association;

(8) Two insurance agents each of whom has been licensed continuously during the five-year period immediately preceding the agent's appointment;

~~(8)~~(9) One representative of an insurance company admitted to transact business in this state;

~~(9)~~(10) Two representatives of consumers, one of whom shall be at least sixty years of age.

(C)(1) Of the initial eleven appointments made by the superintendent, three shall be for terms ending December 31, 1994, four shall be for terms ending December 31, 1995, and four shall be for terms ending December 31, 1996. Thereafter, terms of office shall be for three years, each term ending on the thirty-first day of December of the third year.

(2) The initial appointment of the twelfth member made by the superintendent under division (B)(7) of this section, pursuant to Sub. S.B. 129 of the 124th general assembly, shall be for a term ending December 31, 2003. Thereafter, the term of office shall be for three years, ending on the thirty-first day of December of the third year.

(D) Each member shall hold office from the date of appointment until the end of the term for which the member was appointed. Any member appointed to fill a vacancy occurring prior to the expiration of the term for which the member's predecessor was appointed shall hold office for the remainder of such term. Any member shall continue in office subsequent to the expiration date of the member's term until the member's successor takes office, or until a period of sixty days has elapsed, whichever occurs first. A vacancy shall be filled in the same manner as the original appointment.

(E) Initial appointments to the council shall be made no later than thirty days after April 16, 1993. The initial appointment of the twelfth member to

the council under division (B)(7) of this section, pursuant to Sub. S.B. 129 of the 124th general assembly, shall be made no later than December 31, 2002.

(F) Any member is eligible for reappointment. The superintendent, after notice and opportunity for a hearing, may remove for cause any member the superintendent appoints.

(G) The superintendent or the superintendent's designee shall serve as chairperson of the council. Meetings shall be held upon the call of the chairperson and as may be provided by procedures adopted by the superintendent. Seven members of the council constitute a quorum.

(H) Each member shall receive mileage and necessary and actual expenses while engaged in the business of the council.

Sec. 3905.484. (A) The superintendent of insurance, in consultation with the insurance agent education advisory council, shall establish criteria for any course or program of study that is offered in this state under section 3905.04 or sections ~~3905.48~~ 3905.481 to 3905.486 of the Revised Code.

(B) No course or program of study shall be offered in this state under section 3905.04 or sections ~~3905.48~~ 3905.481 to 3905.486 of the Revised Code unless it is approved by the superintendent in consultation with the council.

(C) A course or program of study offered in this state under section 3905.04 or sections ~~3905.48~~ 3905.481 to 3905.486 of the Revised Code shall be developed or sponsored only by one of the following:

- (1) An insurance company admitted to transact business in this state;
- (2) An accredited college or university;
- (3) An insurance trade association;
- (4) An independent program of instruction that is approved by the superintendent in consultation with the council;
- (5) Any institution as defined in section 1713.01 of the Revised Code that holds a certificate of authorization issued by the Ohio board of regents under Chapter 1713. of the Revised Code or is exempt under that chapter from the requirements for a certificate of authorization.

(D) Any person who teaches any approved course or program of study qualifies for the same number of classroom hours as would be granted to any person who takes and successfully completes that course or program.

Sec. 3905.486. The superintendent of insurance shall adopt rules in accordance with Chapter 119. of the Revised Code to carry out the purposes of sections ~~3905.48~~ 3905.04 and 3905.481 to 3905.486 of the Revised Code. In adopting any rules, the superintendent shall consider any recommendations made by the insurance agent education advisory council.

Sec. ~~3905.47~~ 3905.49. (A) As used in this section and section 3905.50 of the Revised Code, "independent insurance agent" means an insurance agent who is neither employed nor controlled solely by an insurer, whose agency contract with an insurer provides that upon termination of the contract, the ownership of the property rights of all expiration information vests in the agent or ~~his~~ the agent's heirs or assigns, and whose agency contract with an insurer permits the agent to represent concurrently other insurers of ~~his~~ the agent's choice.

(B) No agent other than an independent insurance agent shall represent ~~oneself~~ self, or shall be represented, to the public as an independent insurance agent or agency.

Sec. 3905.50. (A)(1) Except as provided in division (A)(2) or (3) of this section, this section applies to every contract of agency between a property and casualty insurance company and an independent insurance agent, ~~as defined in division (A) of section 3905.47 of the Revised Code~~, which has been in effect for not less than two years.

(2) This section does not apply to a contract of exclusive employment by, or an exclusive agency contract with, a single insurer or group of insurers under common ownership or control.

(3) This section does not apply to an agent whose license has been suspended or revoked by the superintendent of insurance, an agent who has demonstrated gross incompetence, or an agent whose contract has been terminated for insolvency, abandonment, gross or willful misconduct, or failure to pay to the insurer, in accordance with the agency contract, moneys due to the insurer upon written demand of the insurer.

(B) No insurer shall terminate an independent insurance agent contract of agency except by mutual agreement of the parties or upon one hundred eighty days' written notice to the independent insurance agent.

(1) Such notice shall include specific reasons for the termination of the agent.

(2) Such notice shall be sent by certified mail, return receipt requested, to the last known address of the agency.

(C) During the one hundred eighty day notice period, an independent insurance agent shall not write or bind any new policies on behalf of an insurer without written approval from the insurer. However, during such period, an independent insurance agent, subject to the current underwriting rules, guidelines, commission rates, and practices of the insurer, may renew or effect any necessary changes or endorsements of outstanding policies of insurance that are in force prior to the date of receipt of the notice of termination.

(D) None of the following constitutes an acceptable reason for the termination of a contract of agency:

- (1) Claims experience of the agent in a single year;
- (2) Claims experience due to ~~catastrophies~~ catastrophes of nature covered by a policy;
- (3) Claims experience under uninsured and underinsured motorist coverages.

(E) An agent aggrieved by the conduct of an insurer in its breach or termination of a contract of agency may file with the superintendent a request that the superintendent review the action to determine whether it is in accord with this section and the lawful provisions of the contract of agency and send a copy of the request to the insurer at the address of the office issuing the notice of termination. Upon receipt of such a request, an insurer shall promptly provide the independent insurance agent and superintendent with documentation in support of the insurer's stated reason for termination.

(F) The superintendent shall promptly investigate the allegation. If the superintendent has reasonable cause to believe that this section or the lawful provisions of the contract of agency have been violated, ~~he~~ the superintendent shall, within thirty days of receipt of a request for review, conduct an adjudication hearing subject to Chapter 119. of the Revised Code, held upon not less than ten days' written notice to the agent and the insurer. Pending a final order in the adjudication hearing, the superintendent may take such interim action as necessary to protect the parties or the public. During the pendency of the proceeding before the superintendent, the contract of agency subject to the proceeding continues in force and ~~division~~ division (C) of this section applies. The superintendent shall, within thirty days following such hearing, issue an order approving or disapproving the action of the insurer. All final orders and decisions of the superintendent are subject to judicial review as provided in Chapter 119. of the Revised Code.

(G) An insurer shall not cancel or nonrenew any policy of insurance written through an agent upon the sole ground of the termination of the agency until the expiration of the policy term or the twelve-month period following the effective date of the termination of the contract of agency, whichever is earlier. However, during such period, an independent insurance agent may, subject to the current underwriting rules, guidelines, commission rates, and practices of the insurer, effect any necessary changes or endorsements to outstanding policies of insurance that are in force prior to the date of termination.

This section does not abridge, restrict, or supersede the rights of an agent to the ownership of expirations provided for in any contract with an insurer.

(H) Any information or documentation provided to an agent or the superintendent by an insurer under this section is confidential and shall be used by the superintendent only in the exercise of the proper functions authorized by this section. No insurer is liable for furnishing information or documentation in compliance with this section if the insurer acts without malice and in the reasonable belief that such information or documentation is warranted by this section.

Sec. 3905.72. (A)(1) No person shall act as a managing general agent representing an insurer licensed in this state with respect to risks located in this state unless the person is licensed as a managing general agent pursuant to division (C) or (D) of this section.

(2) No person shall act as a managing general agent representing an insurer organized under the laws of this state with respect to risks located outside this state unless the person is licensed as a managing general agent pursuant to division (C) of this section.

(B) Every person that seeks to act as a managing general agent as described in division (A) of this section shall apply to the superintendent of insurance for a license. ~~The~~ Except as otherwise provided in division (D) of this section, the application shall be in writing on a form provided by the superintendent and shall be sworn or affirmed before a notary public or other person empowered to administer oaths. The application shall be kept on file by the superintendent and shall include all of the following:

(1) The name and principal business address of the applicant;

(2) If the applicant is an individual, ~~his~~ the applicant's current occupation;

(3) If the applicant is an individual, ~~his~~ the applicant's occupation or occupations during the five-year period prior to applying for the license to act as a managing general agent;

(4) A copy of the contract between the applicant and the insurer as required by, and in compliance with, section 3905.73 of the Revised Code;

(5) A copy of a certified resolution of the board of directors of the insurer on whose behalf the applicant will act, appointing the applicant as a managing general agent and agent of the insurer, specifying the duties the applicant is expected to perform on behalf of the insurer and the lines of insurance the applicant will manage, and authorizing the insurer to enter into a contract with the applicant as required by section 3905.73 of the Revised Code;

(6) A statement that the applicant submits to the jurisdiction of the superintendent and the courts of this state;

(7) Any other information required by the superintendent.

(C) The superintendent shall issue to a resident of this state or ~~renew~~ a business entity organized under the laws of this state a license to act as a managing general agent representing an insurer licensed to do business in this state with respect to risks located in this state or a license to act as a managing general agent representing an insurer organized under the laws of this state with respect to risks located outside this state, and shall renew such a license, if the superintendent is satisfied that all of the following conditions are met:

(1) The applicant is a suitable person and intends to hold ~~himself~~ self out in good faith as a managing general agent.

(2) The applicant is honest, trustworthy, and understands the duties and obligations of a managing general agent.

(3) The applicant has filed a completed application that complies with division (B) of this section.

(4) The applicant has paid a fee in the amount of twenty dollars.

(5) The applicant maintains a bond in the amount of not less than fifty thousand dollars for the protection of the insurer.

(6) The applicant maintains an errors and omissions policy of insurance.

(7) The applicant is not, and has never been, under an order of suspension or revocation under section 3905.77 of the Revised Code or under any other law of this state, or any other state, relating to insurance, and is otherwise in compliance with sections 3905.71 to 3905.79 of the Revised Code and all other laws of this state relating to insurance.

(D) If the applicant is a resident of another state or a business entity organized under the laws of another state, the applicant shall submit a request for licensure, along with a fee of twenty dollars, to the superintendent. The superintendent shall issue a license to act as a managing general agent if the request for licensure includes proof that the applicant is licensed and in good standing as a managing general agent in the applicant's home state and either a copy of the application for licensure the applicant submitted to the applicant's home state or the application described in division (B) of this section.

If the applicant's home state does not license managing general agents under provisions similar to those in sections 3905.71 to 3905.79 of the Revised Code, or if the applicant's home state does not grant licenses to residents of this state on the same reciprocal basis, the applicant shall comply with divisions (B) and (C) of this section.

~~(E)~~ Unless suspended or revoked by an order of the superintendent pursuant to section 3905.77 of the Revised Code and except as provided in division ~~(E)~~~~(F)~~ of this section, any license issued or renewed pursuant to division (C) or ~~(D)~~ of this section shall expire on the last day of February next after its issuance or renewal.

~~(E)~~~~(F)~~ If the appointment of a managing general agent is terminated by the insurer, the license of the managing general agent shall expire on the date of the termination.

~~(F)~~~~(G)~~ A license shall be renewed in accordance with the standard renewal procedure specified in Chapter 4745. of the Revised Code.

~~(G)~~~~(H)~~ All license fees collected pursuant to ~~division (C)(4)~~ of this section shall be paid into the state treasury to the credit of the department of insurance operating fund.

Sec. 3905.85. (A) An applicant for a license as a surety bail bond agent shall submit an application for the license in a manner prescribed by the superintendent of insurance. The application shall be accompanied by a one hundred fifty dollar fee and a statement that gives the applicant's name, age, residence, present occupation, occupation for the five years next preceding the date of the application, and such other information as the superintendent may require.

The applicant shall also request a criminal records check conducted by the superintendent of the bureau of criminal identification and investigation in accordance with section 109.572 of the Revised Code, or other governmental agencies, or other sources, as required and designated by the superintendent of insurance, and direct that the bureau's written response responses to that request be transmitted to the superintendent of insurance, or to the superintendent's designee, ~~as specified on the form prescribed pursuant to that section.~~ If the superintendent of insurance or the superintendent's designee fails to receive ~~the bureau's~~ a response to ~~the applicant's request for a requested~~ criminal records check, or if the applicant fails to request the criminal records check, the superintendent may refuse to issue a license under this section. The applicant shall pay any fee required ~~by the bureau~~ for conducting the criminal records check.

An applicant for a license shall submit to an examination as to the qualifications set forth in division (B) of this section.

(B) The superintendent of insurance shall issue to an applicant a license that states in substance that the person is authorized to do the business of a surety bail bond agent, if the superintendent is satisfied that all of the following apply:

(1) ~~If the applicant is a natural person, the~~ The applicant is eighteen

years of age or older.

(2) The applicant is a person of high character and integrity.

(3) The applicant has successfully completed the educational requirements set forth in section ~~3905.48~~ 3905.04 of the Revised Code and passed the examination required by that section.

(C) A surety bail bond agent license issued pursuant to this section authorizes the holder, when appointed by an insurer, to execute or countersign bail bonds in connection with judicial proceedings and to receive money or other things of value for those services. However, the holder shall not execute or deliver a bond during the first one hundred eighty days after the license is initially issued. This restriction does not apply with respect to license renewals.

(D) The superintendent of insurance may suspend or revoke a surety bail bond agent's license as provided in section 3905.482 of the Revised Code, and may suspend, revoke, or refuse to issue or renew such a license as provided in section ~~3905.49~~ 3905.14 of the Revised Code.

If the superintendent refuses to issue such a license based in whole or in part upon the ~~bureau's~~ written response to a criminal records check requested pursuant to division (A) of this section, the superintendent shall send a copy of the response that ~~the bureau was~~ transmitted to the superintendent or to the superintendent's designee, to the applicant at the applicant's home address upon the applicant's submission of a written request to the superintendent.

(E) Any person licensed as a surety bail bond agent may surrender the person's license in accordance with section ~~3905.042~~ 3905.16 of the Revised Code.

(F) Unless revoked or suspended by the superintendent of insurance or surrendered by the surety bail bond agent, such a license may, in the discretion of the superintendent and the payment of a one hundred fifty dollar fee, be ~~continued past~~ renewed effective the last first day of February March next after its issue and after the ~~last first day of February~~ March in each succeeding year.

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

(H)(1) The superintendent of insurance shall not issue or renew the

license of a ~~corporation, partnership, or limited liability company~~ business entity organized under the laws of this or any other state unless the ~~corporation, partnership, or limited liability company~~ business entity is qualified to do business in this state under the applicable provisions of Title XVII of the Revised Code.

(2) The failure of a ~~corporation, partnership, or limited liability company~~ business entity to be in good standing with the secretary of state or to maintain a valid appointment of statutory agent is grounds for suspending, revoking, or refusing to renew its license.

(3) By applying for a surety bail bond agent license under this section, an individual, ~~corporation, partnership, or limited liability company~~ business entity consents to the jurisdiction of the courts of this state.

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

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

Sec. 3905.861. An insurer that appoints a surety bail bond agent who is a member of an ~~agency, partnership, corporation, or limited liability company~~ a business entity shall require that all other surety bail bond agents who are members of the same ~~agency, partnership, corporation, or limited liability company~~ business entity be appointed to represent that insurer.

Sec. 3905.89. Each person licensed under sections 3905.83 to 3905.95 of the Revised Code shall notify in writing the appropriate insurer or managing general agent, and the clerk of the court of common pleas of the county in which the licensee resides, within thirty days after a change in the licensee's principal business address or telephone number.

This notification requirement is in addition to the notification requirements set forth in ~~section 3905.54~~ other provisions of ~~the Revised Code~~ this chapter.

Sec. 3905.94. If the superintendent of insurance, in accordance with section ~~3905.49~~ 3905.14 of the Revised Code, suspends or revokes a person's license as a surety bail bond agent, the person, during the period of suspension or revocation, shall not be employed by any surety bail bond agent, have any ownership interest in any business involving bail bonds, or have any financial interest of any type in any bail bond business.

Sec. 3905.99. (A) Whoever violates ~~sections 3905.181, 3905.21, or 3905.23~~ section 3905.182 of the Revised Code shall be fined not less than twenty-five nor more than five hundred dollars or imprisoned not more than six months, or both.

(B) Whoever violates section 3905.31 or 3905.33 of the Revised Code shall be fined not less than twenty-five nor more than five hundred dollars or imprisoned not more than one year, or both.

(C) Whoever violates section 3905.37 or 3905.43 of the Revised Code shall be fined not less than one hundred nor more than five hundred dollars.

(D) Whoever violates section ~~3905.01~~ 3905.02, division (F) of section 3905.92, or division (A) of section 3905.931 of the Revised Code is guilty of a misdemeanor of the first degree.

(E) Whoever violates section 3905.84 of the Revised Code is guilty of a misdemeanor of the first degree on a first or second offense and of a felony of the third degree on each subsequent offense.

Sec. 3907.19. The president or vice-president, and the secretary or actuary, or a majority of the directors of each insurance company organized under the laws of this state, annually on the first day of January, or within sixty days thereafter, shall prepare under oath and deposit in the office of the superintendent of insurance, a statement showing the condition of the company on the thirty-first day of the December next preceding. The statement shall be submitted on the forms adopted by the superintendent pursuant to section ~~3905.29~~ 3901.77 of the Revised Code, and shall exhibit the following items:

(A) The number of policies issued during the year;

(B) The amount of insurance effected by such policies;

(C) The amount of premiums received during the year;

(D) The amount of interest and all other receipts, specifying the items;

(E) The amount paid to policyholders of the company for losses during the year;

(F) The amount of all other expenditures and disbursements of the company, specifying such items as the superintendent calls for;

(G) The amount of losses unpaid;

(H) The whole number of policies in force;

(I) The amount insured by such policies;

(J) The amount of reserve on all policies in force, calculated by the American Experience Table of Mortality, with interest at four per cent annually, or calculated by any other higher standard that the company has adopted, and the unearned premium on all personal accident and sickness insurance in force;

(K) The amount of capital stock, specifying amount paid and unpaid;

(L) The amount of dividends unpaid and the amount of all other liabilities;

(M) A detailed statement of all the assets of the company, and the

manner of their investment;

(N) An exhibit of the policy obligations of the company, which shall include:

(1) In the first annual statement, a schedule showing the number, date, age when insured, amount insured, term of policy, term of premium, and amount of premium, of all policies issued, schedules of all policies canceled, revived, changed, reduced, or increased and a schedule of reinsurances in other companies;

(2) In every succeeding annual statement, a schedule of the items listed in division (N)(1) of this section as to all policies issued during the year, and similar schedules of policies canceled, revived, changed, reduced, or increased during the year, together with schedules of reinsurances in other companies and schedules of additions to policies, and a list of all other obligations of the company requiring valuation.

An exhibit of the policy obligations of the company may be required more often than once a year.

Sec. 3909.06. Every life insurance company organized by act of congress or under the laws of another state of the United States doing business in this state, annually shall file a statement of its condition and affairs in the office of the superintendent of insurance, and such statement shall be filed on the forms adopted by the superintendent pursuant to section ~~3905.29~~ 3901.77 of the Revised Code.

Sec. 3911.011. (A) No policy, annuity, or other contract providing variable or fixed and variable benefits or contractual payments shall be delivered or issued for delivery in this state except by a life insurance company, organized under the laws of this state, or a company, partnership, or association, organized or incorporated, by an act of congress, or under the laws of this or any other state of the United States, or any foreign government, and transacting the business of life insurance in this state. No such company, partnership or association shall deliver or issue for delivery in this state any such policy, annuity, or contract until the superintendent of insurance has determined that its condition and methods of operation in connection with the issuance of ~~such~~ the policies, annuities, and contracts will not render its operation hazardous to the public or to the holders of its policies, annuities, and other contracts in this state. In making such determination, the superintendent shall consider the history, reputation, and financial condition of ~~such~~ the company, partnership, or association, and the character, responsibility, and general fitness of its officers, directors, partners, or associates. In making such determination with respect to a company, partnership, or association not organized under the laws of this

state, the superintendent shall also consider whether the laws and regulations of its domicile provide a degree of protection to the public and the holders of its policies, annuities, and other contracts substantially equal to that provided by this section and any rules adopted by the superintendent pursuant to division (C) of this section. If any such company is a subsidiary of, or affiliated through management or ownership with, a life insurance company authorized to do business in this state, the superintendent may consider the requirements of this division to have been satisfied if either such company or its parent or affiliated company meets such requirements.

(B) No policy, annuity, or other contract described in division (A) of this section and no certificate, application, endorsement, or rider to be used in connection with any such policy, annuity, or other contract shall be delivered, or issued for delivery, in this state until a copy thereof has been filed with the superintendent. The superintendent shall, within thirty days after the filing of any such form, disapprove the same ~~if he finds~~ upon finding that such form contains provisions ~~which~~ that are unjust, unfair, inequitable, misleading, or deceptive, encourage misrepresentation of the coverage, or are contrary to the insurance laws of this state or any rule adopted by ~~him~~ the superintendent pursuant to division (C) of this section. When the superintendent notifies a company, partnership, or association that a form has been disapproved, it shall be unlawful thereafter for ~~such~~ the company, partnership, or association to issue or use ~~such~~ the form. In ~~such~~ the notice, the superintendent shall specify the reason for ~~his~~ the disapproval and state that a hearing will be granted in twenty days after request in writing. No such policy, contract, certificate, application, endorsement, or rider shall be issued or used until the expiration of thirty days after it has been so filed, unless the superintendent gives written approval thereto. The superintendent may, at any time after a hearing held not less than twenty days after written notice to the insurer, withdraw ~~his~~ the approval of any such form on any ground set forth in this division. The written notice of such hearing shall state the reason for the proposed withdrawal. The company, partnership, or association shall not issue ~~such~~ the form or use it after the effective date of ~~such~~ the withdrawal. Any order or formal determination of the superintendent under this division shall be subject to judicial review as provided in section 119.12 of the Revised Code.

(C) The superintendent shall have the sole and exclusive power and authority to regulate the sale, delivery, and issuance for delivery in this state of policies, annuities, and other contracts described in division (A) of this section and, subject to ~~sections 119.01 to 119.13, inclusive,~~ Chapter 119 of the Revised Code, to adopt, amend, and rescind rules necessary to discharge

~~his~~ the superintendent's duties and exercise ~~his~~ the superintendent's power and authority under ~~sections 3905.20 and~~ section 3907.15 of the Revised Code and this section, including, but not limited to, the adoption of a definition of a subsidiary or affiliated corporation under section 3907.15 of the Revised Code.

(D) Except for Chapter 3915. and except as otherwise provided in sections ~~3905.20~~, 3907.15, and 3911.011 of the Revised Code, all pertinent provisions of Title XXXIX of the Revised Code apply to all policies, annuities, and other contracts providing variable or fixed and variable benefits or contractual payments and all separate accounts established in connection therewith. The reserve liability for such policies, annuities, and contracts shall be established in accordance with actuarial procedures that recognize the variable nature of the benefits and guarantees provided.

Chapter 1707. of the Revised Code does not apply to any policy, annuity, or other contract providing fixed, variable, or fixed and variable benefits or contractual payments, ~~which that~~ is issued by any company, partnership, or association authorized to transact the business of life insurance in this state.

Sec. 3923.121. (A) As used in this section:

(1) "Association" means a voluntary unincorporated association of insurers formed for the sole purpose of enabling cooperative action to provide sickness and accident insurance in accordance with this section.

(2) "Insurer" means any insurance company authorized to do the business of sickness and accident insurance in this state.

(3) "Insured" means a person covered under a group policy issued pursuant to this section.

(B) Any insurer may join with one or more other insurers, in an association, to offer, sell, and issue to a policyholder selected by the association a policy of group insurance against major financial loss from sickness and accident covering residents of this state who are sixty-five years of age or older and the spouses of such residents. The insurance shall be offered, issued, and administered in the name of the association. Membership in the association shall be open to any insurer and each insurer which participates shall be liable for a specified percentage of the risks. The policy may be executed on behalf of the association by a duly authorized person and need not be countersigned by an agent.

(C) The persons eligible for coverage under the policy shall be all residents of this state who are sixty-five years of age or older and their spouses, subject to reasonable underwriting restrictions to be set forth in the plan of the association. The policy may provide basic hospital and surgical

coverage, basic medical coverage, major medical coverage, and any combination of these; provided that it shall not be required as a condition for obtaining major medical coverage that any basic coverage be taken.

(D) The association shall file with the superintendent of insurance any policy, contract, certificate, or other evidence of insurance, application, or other forms pertaining to such insurance together with the premium rates to be charged therefor. The superintendent may approve, disapprove, and withdraw approval of the forms in accordance with section 3923.02 of the Revised Code, or the premium rates if by reasonable assumptions such rates are excessive in relation to the benefits provided. In determining whether such rates by reasonable assumptions are excessive in relation to the benefits provided the superintendent shall give due consideration to past and prospective claim experience, within and outside this state, and to fluctuations in such claim experience, to a reasonable risk charge, to contribution to surplus and contingency funds, to past and prospective expenses, both within and outside this state, and to all other relevant factors within and outside this state, including any differing operating methods of the insurers joining in the issuance of the policy. In reviewing the forms the superintendent shall not be bound by the requirements of sections 3923.04 to 3923.07 of the Revised Code with respect to standard provisions to be included in sickness and accident policies or forms.

(E) The association may enroll eligible persons for coverage under the policy through any insurance agent licensed to sell sickness and accident insurance pursuant to Chapter 3905. of the Revised Code or section 3905.02, 3905.08, 3905.18, or 3941.02 of the Revised Code.

(F) The association shall file annually with the superintendent on such date and in such form as the superintendent may prescribe, a financial summary of its operations.

(G) The association may sue and be sued in its associate name and for such purposes only shall be treated as a domestic corporation. Service of process against the association made upon a managing agent, any member thereof, or any agent authorized by appointment to receive service of process, shall have the same force and effect as if the service had been made upon all members of the association.

(H) Under any policy issued as provided in this section, the policyholder, or such person as the policyholder shall designate, shall alone be a member of each domestic mutual insurance company joining in the issue of the policy and shall be entitled to one vote by virtue of such policy at the meetings of each such mutual insurance company. Notice of the annual meetings of each such mutual insurance company may be given by

written notice to the policyholder or as otherwise prescribed in the policy.

Sec. 3929.30. The president or the vice-president and the secretary of each insurance company organized under the laws of this or any other state and doing business in this state, annually, on the first day of January or within sixty days thereafter, shall prepare, under oath, and deposit in the office of the superintendent of insurance a statement of the condition of such company on the next preceding thirty-first day of December. The statement shall be submitted on the forms adopted by the superintendent pursuant to section ~~3905.29~~ 3901.77 of the Revised Code, and shall exhibit the following facts and items:

(A) The amount of the capital stock of the company, specifying the amount paid and unpaid;

(B) A detailed statement of all the assets of the company and the manner of their investment.

(C) The liabilities of the company, specifying:

(1) The amount of losses due and unpaid;

(2) The amount of claims for losses resisted by the company;

(3) The amount of losses incurred during the year, including those claimed and not due, and those reported to the company upon which no action has been taken;

(4) The amount of dividends declared, due, and unpaid;

(5) The amount of dividends, either cash or scrip, declared but not due;

(6) The amount of money borrowed and the security given for its payment;

(7) The amount required for reinsurance, being a pro rata of all premiums, received and receivable, on unexpired risks and policies, provided that as to fire insurance business, a company may, at its option, maintain a sum equal to fifty per cent of the whole amount of premiums received and receivable on unexpired risks and policies running one year and less from the date of the policy. In the case of marine insurance, premiums on trip risks not terminated shall be deemed unearned, and the superintendent may require a reserve to be carried thereon equal to one hundred per cent of the premiums on trip risks written during the month ended as of the date of statement.

(8) The amount of all other existing claims against the company;

(9) A statement, approved by the superintendent, from a member of the American academy of actuaries certifying that the loss and loss adjustment reserves established for medical malpractice business, as reported in the statutory annual statement, are computed in accordance with accepted loss reserving standards and are fairly stated in accordance with sound loss

reserving principles.

(D) The income of the company during the preceding year, specifying:

- (1) The amount of cash premiums received;
- (2) The amount of notes or contingent assets received for premiums;
- (3) The amount of interest money received;
- (4) The amount of income received from other sources.

(E) The expenditure during the preceding year, specifying:

(1) The amount of losses paid during the year, stating how much of them accrued prior, and how much accrued subsequent, to the date of the preceding statement, and the amount at which losses were estimated in each preceding statement;

(2) The amount of dividends paid during the year;

(3) The amount of expenses paid during the year, including commissions and fees to agents and officers of the company;

(4) The amount paid for taxes;

(5) The amount of all payments and expenditures;

(6) The amount of scrip dividend declared.

Sec. 3931.101. The provisions of ~~sections 3905.01 to 3905.04~~ Chapter 3905, of the Revised Code, relating to the appointment, licensing, qualification and regulation of insurance agents, brokers, and solicitors shall apply to all persons authorized to solicit powers of attorney or applications for contracts of indemnity for any reciprocal exchange, insurance exchange or attorney in fact as provided for in Chapter 3931. of the Revised Code, except a traveling full time salaried non-commission employee of an attorney whose duties as such employee are primarily the performance of inspection underwriting, loss prevention engineering and claim services shall be exempt from this section and shall be regulated solely by section 3931.11 of the Revised Code.

Sec. 3931.11. Every attorney shall certify to the superintendent of insurance the names and addresses of the attorney's traveling full time salaried non-commission employees, primarily engaged in performing underwriting, loss prevention engineering and claim services, authorized by the attorney to solicit powers of attorney or applications for contracts of indemnity specified in section 3931.01 of the Revised Code. The authority of such persons shall continue until the first day of the next April, unless it is cancelled by the attorney and the certificate of such cancellation is filed with the superintendent, or unless the license of the attorney or authority of such person is revoked or suspended by the superintendent. Expiring certificates of authority of such persons may be renewed in like manner to continue until the first day of the next April. The superintendent shall record

the names and addresses of such persons so that their names may conveniently be inspected and shall thereupon certify and deliver to the attorney a list of the names of all persons so recorded.

If the superintendent finds that any such person has willfully violated, or failed to comply with, sections 3931.01 to 3931.12 of the Revised Code, or has been convicted of a felony in the United States, or in this or any state, or has been guilty of any act or acts ~~which~~ that if performed by an agent licensed under ~~section 3905.02~~ Chapter 3905. of the Revised Code would constitute statutory grounds for the revocation of ~~such~~ the agent's license, the superintendent may refuse or revoke the authority of the person and cancel the person's name on the superintendent's records, and the superintendent shall thereupon notify the person and the attorney of the revocation. Thereafter the person shall not act as representative of any attorney until a new certificate of authority by the attorney thereafter appointing the person is filed with and approved by the superintendent.

No such person shall act for any attorney in placing insurance or making such contracts of indemnity, unless the attorney has the license required by section 3931.10 of the Revised Code, nor unless the unexpired, unrevoked, and unsuspended certificate of ~~such~~ the person's authority is filed with the superintendent. Any such person shall be individually liable on any contract of indemnity made, issued, or accepted through that person as representing any attorney who is not licensed by the superintendent to make such contracts of indemnity.

Sec. 3933.04. No person, firm, or corporation engaged in selling real or personal property, ~~engaged in the business of financing the purchase of real or personal property, or engaged in the business of lending money on the security of real or personal property,~~ and no trustee, director, officer, agent, or other employee of any such person, firm, or corporation, shall require, as a condition precedent to the sale ~~or financing the purchase~~ of such property, ~~to lending money upon the security of a mortgage thereon, or as a condition prerequisite for the renewal or extension of any such loan or mortgage or for the performance of any other act in connection therewith,~~ that the person, firm, or corporation purchasing ~~such~~ the property, ~~for whom such purchase is to be financed, to whom the money is to be loaned, or for whom such extension, renewal, or other act is to be granted, or performed,~~ negotiate any policy of insurance or renewal thereof covering ~~such~~ the property through a particular insurance company, agent, solicitor, or broker. This section does not prevent the exercise by any person, firm, or corporation of its right to designate minimum standards as to the company, the terms and provisions of the policy, and the adequacy of the coverage with respect to insurance on

property pledged or mortgaged to ~~such~~ the person, firm, or corporation.

The superintendent of insurance shall, in accordance with ~~sections 119.01 to 119.13, inclusive,~~ Chapter 119. of the Revised Code, revoke the insurance license of any person, appointee, agent, solicitor, or broker ~~who~~ that violates this section.

Sec. 3953.21. (A) Every title insurance company authorized to transact business within this state shall certify annually to the superintendent of insurance the names of all title insurance agents representing it in this state in accordance with section ~~3905.02~~ 3905.20 of the Revised Code.

(B) No bank, trust company, bank and trust company, or other lending institution, mortgage service, brokerage, mortgage guaranty company, escrow company, real estate company or any subsidiaries thereof or any individuals so engaged shall be permitted to act as an agent for a title insurance company.

Sec. 3953.23. (A) Every title insurance agent shall keep books of account and record and vouchers pertaining to the business of title insurance in such manner that the title insurance company may readily ascertain from time to time whether the agent has complied with this chapter.

(B) A title insurance agent may engage in the business of handling escrows of real property transactions directly connected with the business of title insurance, provided that the agent shall maintain a separate record of all receipts and disbursements of escrow funds and shall not commingle any such funds with the agent's own funds or with funds held by the agent in any other capacity; and if at any time the superintendent of insurance determines that an agent has failed to comply with any of the provisions of this section, the superintendent may revoke the license of the agent pursuant to section ~~3905.02~~ 3905.14 of the Revised Code, subject to review as provided for in Chapter 119. of the Revised Code. All agents shall be covered by a fidelity bond in an amount and with a company satisfactory to the principal.

Sec. 3957.14. (A) No person shall, except for the renewal of an existing home service contract, procure, receive, or forward applications for home service contracts unless the person is ~~a resident of this state who is~~ one of the following:

(1) A real estate licensee as licensed by the real estate division of the department of commerce of this state;

(2) An organization or franchisor or licensor of such a real estate licensee;

(3) A licensed insurance agent for casualty, property, or personal lines;

(4) Any other person to whom the superintendent of insurance has issued a license to perform such services. The superintendent shall not issue

such a license unless the person has paid a fee of twenty dollars and has been determined by the superintendent to be qualified. The superintendent shall issue such a license only if the person successfully passes a written examination prescribed by the superintendent.

(B) No home warranty company or person acting on behalf of such a company under division (A) of this section shall pay to any person who is acting as the agent, representative, attorney, or employee of the owner or prospective owner of residential property with respect to which a home service contract is to be issued, any commission or any other consideration, either directly or indirectly, as an inducement or compensation for the issuance, purchase, or acquisition of a home service contract. A home warranty company may reimburse such persons for expenses actually incurred in the issuance, sale, advertising, or processing of home service contracts or in performing an inspection of residential property with respect to which a home service contract is issued. No commission shall be paid to any person except a person authorized to receive such a commission under this section. In the event a commission is paid, no rebates shall be permitted and the prohibitions of section 3933.01 of the Revised Code apply.

Sec. 3960.03. All of the following apply to risk retention groups chartered and licensed in states other than this state, that seek to do business as a risk retention group in this state:

(A) No risk retention group shall offer insurance in this state unless it has submitted to the superintendent of insurance, in a form satisfactory to the superintendent, all of the following:

(1) A statement identifying the state or states in which it is chartered and licensed as a liability insurance company, the date of chartering, its principal place of business, and any other information, including but not limited to, information on its membership, that the superintendent may require to verify that it is qualified under division (J) of section 3960.01 of the Revised Code;

(2) A copy of its plan of operation or a feasibility study and revisions of the plan or study submitted to the state in which the risk retention group is chartered and licensed. Division (A)(2) of this section does not apply to any line or classification of liability insurance that was defined in the federal "Product Liability Risk Retention Act of 1981," 95 Stat. 949, 15 U.S.C.A. 3901, as amended, before October 27, 1986, and was offered before that date by any risk retention group that had been chartered and operating for not less than three years before that date. The risk retention group shall submit a copy of any revision to its plan of operation or feasibility study required by division (A)(2) of section 3960.02 of the Revised Code at the same time that the revision is submitted to the ~~Commissioner~~ commissioner

of ~~Insurance~~ insurance of its chartering state.

(3) A statement of registration, for which a filing fee shall be determined by the superintendent, that submits it to the jurisdiction of the superintendent and the courts of this state. The fee shall be paid into the state treasury to the credit of the department of insurance operating fund pursuant to section 3901.021 of the Revised Code.

(B) A risk retention group doing business in this state shall submit to the superintendent all of the following:

(1) A copy of its financial statement submitted to the state in which the risk retention group is chartered and domiciled, which shall be certified by an independent public accountant and contain a statement of opinion on loss and loss adjustment expense reserves made by a member of the American academy of actuaries or a qualified loss reserve specialist under criteria established by the national association of insurance commissioners;

(2) A copy of each examination of the group as certified by the commissioner or public official conducting the examination;

(3) Upon request by the superintendent, a copy of any information or document pertaining to any outside audit performed with respect to the group;

(4) Any information that may be required to verify, to the superintendent's satisfaction, its continuing qualification as a risk retention group under division (J) of section 3960.01 of the Revised Code.

(C)(1) Agents or brokers for the risk retention group shall report to the superintendent the premiums for direct business for risks resident or located within this state that they have placed with or on behalf of a risk retention group not chartered in this state.

(2) The agent or broker shall keep a complete and separate record of all policies procured from each risk retention group, which record shall be open to examination by the superintendent. These records shall, for each policy and each kind of insurance provided, include the following:

(a) The limit of liability;

(b) The time period covered;

(c) The effective date;

(d) The name of the risk retention group that issued the policy;

(e) The gross premium charged;

(f) The amount of return premiums.

(D) Every risk retention group that is not chartered in this state shall do both of the following:

(1) On or before the ~~first~~ thirty-first day of ~~July~~ January, pay to the treasurer of state five per cent of all premiums, fees, assessments, dues, or

other consideration for the preceding one-year period for risks resident or located in this state, as calculated on a form prescribed by the treasurer of state. If such tax is not paid when due, the tax shall be increased by a penalty of twenty-five per cent. An interest charge computed as set forth in section 5725.221 of the Revised Code shall be made on the entire sum of the tax plus penalty, which interest shall be computed from the date the tax is due until it is paid. All taxes collected under this section shall be paid into the general revenue fund. For purposes of division (D)(1) of this section, payment is considered made when it is received by the treasurer of state, irrespective of any United States postal service marking or other stamp or mark indicating the date on which the payment may have been mailed.

(2) ~~Within thirty days after~~ On or before the end thirty-first day of each quarter January, file a statement with the superintendent, on a form prescribed by the superintendent, showing the name and address of the insured, name and address of the insurer, subject of the insurance, general description of the coverage, the amount of gross premium, fee, assessment, dues, or other consideration for the insurance, after a deduction for return premium, if any, and any other information the superintendent requires.

(E) The superintendent may examine the financial condition of a risk retention group if the commissioner of insurance in the state in which it is chartered and licensed has not initiated an examination or does not initiate an examination within sixty days after the superintendent has requested an examination. The examination shall be conducted in an expeditious manner and in accordance with the national association of insurance commissioners' examiner handbook.

(F) The superintendent may issue any order appropriate in voluntary dissolution proceedings or commence delinquency proceedings against a risk retention group not chartered in this state that does business in this state if the superintendent finds, after an examination of the group under division (E) of this section, that its financial condition is impaired. A risk retention group that violates any provision of this chapter is subject to fines and penalties, including revocation of its right to do business in this state, applicable to licensed insurers generally. In addition to complying with the requirements of this section, any risk retention group operating in this state prior to enactment of this section shall comply with division (A)(1) of this section within thirty days after October 26, 1989.

Sec. 3960.11. (A) No person shall act or aid in any manner in soliciting, negotiating, or procuring liability insurance in this state from a risk retention group unless the person is licensed as an insurance agent or broker in accordance with ~~section 3905.02 or 3905.30~~ Chapter 3905. of the Revised

Code.

(B) No person shall act or aid in any manner in soliciting, negotiating, or procuring liability insurance in this state for a purchasing group from an authorized insurer or a risk retention group chartered in a state unless the person is licensed as an insurance agent or broker in accordance with ~~section 3905.02 or 3905.30~~ Chapter 3905, of the Revised Code.

(C) No person shall act or aid in any manner in soliciting, negotiating, or procuring liability insurance coverage in this state for any member of a purchasing group under a purchasing group's policy unless the person is licensed as an insurance agent or broker in accordance with ~~section 3905.02 or 3905.30~~ Chapter 3905, of the Revised Code.

(D) No person shall act or aid in any manner in soliciting, negotiating, or procuring liability insurance from an insurer not authorized to do business in this state on behalf of a purchasing group located in this state unless the person is licensed as a surplus line broker in accordance with section 3905.30 of the Revised Code.

SECTION 2. That existing sections 1751.38, 3901.021, 3901.19, 3901.22, 3901.51, 3901.62, 3903.81, 3905.012, 3905.03, 3905.06, 3905.09, 3905.11, 3905.12, 3905.13, 3905.14, 3905.181, 3905.24, 3905.25, 3905.26, 3905.27, 3905.28, 3905.29, 3905.30, 3905.31, 3905.34, 3905.36, 3905.41, 3905.47, 3905.482, 3905.483, 3905.484, 3905.486, 3905.49, 3905.491, 3905.492, 3905.50, 3905.52, 3905.72, 3905.85, 3905.861, 3905.89, 3905.94, 3905.99, 3907.19, 3909.06, 3911.011, 3923.121, 3929.30, 3931.101, 3931.11, 3933.04, 3953.21, 3953.23, 3957.14, 3960.03, and 3960.11 and sections 3905.01, 3905.011, 3905.013, 3905.02, 3905.04, 3905.07, 3905.08, 3905.15, 3905.16, 3905.17, 3905.18, 3905.19, 3905.20, 3905.21, 3905.22, 3905.23, 3905.40, 3905.48, 3905.51, and 3905.54 of the Revised Code are hereby repealed.

SECTION 3. Sections 1 and 2 of this act, except for sections 3905.34, 3905.36, and 3960.03 of the Revised Code, shall take effect September 1, 2002. Sections 3905.34, 3905.36, and 3960.03 of the Revised Code, as amended by this act, shall take effect at the earliest time permitted by law and shall first apply in accordance with Section 4 of this act.

SECTION 4. Sections 3905.34, 3905.36, and 3960.03 of the Revised Code, as amended by this act, first apply to the filing or reporting period that begins January 1, 2003, and concludes December 31, 2003. For those persons that, on the effective date of sections 3905.34, 3905.36, and 3960.03 of the Revised Code, as amended by this act, are subject to a quarterly filing requirement, the last quarterly filing period concludes December 31, 2002. For those persons that, on the effective date of sections 3905.34, 3905.36, and 3960.03 of the Revised Code, as amended by this act, are subject to an annual reporting period that concludes July 1, 2002, that reporting period is extended for six months and concludes December 31, 2002.

Speaker _____ *of the House of Representatives.*

President _____ *of the Senate.*

Passed _____, 20____

Approved _____, 20____

Governor.

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

Director, Legislative Service Commission.

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

Secretary of State.

File No. _____ Effective Date _____