

**As Introduced**

**124th General Assembly  
Regular Session  
2001-2002**

**S. B. No. 129**

**SENATOR Nein**

---

**A BILL**

To amend sections 1514.02, 1751.38, 2927.27, 3901.021, 1  
3901.51, 3901.62, 3903.81, 3905.012, 3905.09, 2  
3905.11, 3905.12, 3905.13, 3905.14, 3905.181, 3  
3905.24, 3905.25, 3905.26, 3905.27, 3905.28, 4  
3905.29, 3905.30, 3905.31, 3905.36, 3905.41, 5  
3905.47, 3905.481, 3905.482, 3905.483, 3905.484, 6  
3905.486, 3905.49, 3905.491, 3905.50, 3905.52, 7  
3905.55, 3905.72, 3905.83, 3905.84, 3905.841, 8  
3905.85, 3905.851, 3905.86, 3905.861, 3905.862, 9  
3905.87, 3905.88, 3905.89, 3905.90, 3905.91, 10  
3905.92, 3905.921, 3905.93, 3905.931, 3905.932, 11  
3905.933, 3905.934, 3905.94, 3905.941, 3905.99, 12  
3907.19, 3909.06, 3911.011, 3923.121, 3929.30, 13  
3931.101, 3931.11, 3953.21, 3953.23, 3957.14, 14  
3960.11, and 5703.052; to amend, for the purpose of 15  
adopting new section numbers as indicated in 16  
parentheses, sections 3905.012(3905.16), 17  
3905.09(3901.78), 3905.11(3901.781), 18  
3905.12(3901.782), 3905.13(3901.783), 19  
3905.14(3901.784), 3905.181(3905.182), 20  
3905.24(3901.74), 3905.25(3901.75), 21  
3905.26(3905.40), 3905.27(3905.41), 22  
3905.28(3901.76), 3905.29(3901.77), 23  
3905.41(3901.86), 3905.47(3905.49), 24  
3905.49(3905.14), 3905.491(3905.15), and 25

3905.52(3905.401); to enact new sections 3905.01, 26  
3905.02, 3905.03, 3905.04, 3905.06, 3905.07, 27  
3905.08, 3905.09, 3905.12, 3905.18, 3905.181, 28  
3905.20, 3905.21, 3905.22, 3905.24, 3905.26, and 29  
3905.28 and sections 3905.041, 3905.05, 3905.061, 30  
3905.071, 3905.072, 3905.10, 3905.211, and 31  
3905.212; and to repeal sections 3905.01, 3905.011, 32  
3905.013, 3905.02, 3905.03, 3905.04, 3905.06, 33  
3905.07, 3905.08, 3905.15, 3905.16, 3905.17, 34  
3905.18, 3905.19, 3905.20, 3905.21, 3905.22, 35  
3905.23, 3905.32, 3905.35, 3905.40, 3905.48, 36  
3905.492, 3905.51, and 3905.54 of the Revised Code 37  
to adopt the Insurance Producer's Licensing Act. 38

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

**Section 1.** That sections 1514.02, 1751.38, 2927.27, 3901.021, 39  
3901.51, 3901.62, 3903.81, 3905.012, 3905.09, 3905.11, 3905.12, 40  
3905.13, 3905.14, 3905.181, 3905.24, 3905.25, 3905.26, 3905.27, 41  
3905.28, 3905.29, 3905.30, 3905.31, 3905.36, 3905.41, 3905.47, 42  
3905.481, 3905.482, 3905.483, 3905.484, 3905.486, 3905.49, 43  
3905.491, 3905.50, 3905.52, 3905.55, 3905.72, 3905.83, 3905.84, 44  
3905.841, 3905.85, 3905.851, 3905.86, 3905.861, 3905.862, 3905.87, 45  
3905.88, 3905.89, 3905.90, 3905.91, 3905.92, 3905.921, 3905.93, 46  
3905.931, 3905.932, 3905.933, 3905.934, 3905.94, 3905.941, 47  
3905.99, 3907.19, 3909.06, 3911.011, 3923.121, 3929.30, 3931.101, 48  
3931.11, 3953.21, 3953.23, 3957.14, 3960.11, and 5703.052 be 49  
amended; sections 3905.012(3905.16), 3905.09(3901.78), 50  
3905.11(3901.781), 3905.12(3901.782), 3905.13(3901.783), 51  
3905.14(3901.784), 3905.181(3905.182), 3905.24(3901.74), 52  
3905.25(3901.75), 3905.26(3905.40), 3905.27(3905.41), 53  
3905.28(3901.76), 3905.29(3901.77), 3905.41(3901.86), 54  
3905.47(3905.49), 3905.49(3905.14), 3905.491(3905.15), and 55

3905.52(3905.401) be amended for the purpose of adopting new 56  
section numbers as indicated in parentheses; and new sections 57  
3905.01, 3905.02, 3905.03, 3905.04, 3905.06, 3905.07, 3905.08, 58  
3905.09, 3905.12, 3905.18, 3905.181, 3905.20, 3905.21, 3905.22, 59  
3905.24, 3905.26, and 3905.28 and sections 3905.041, 3905.05, 60  
3905.061, 3905.071, 3905.072, 3905.10, 3905.211, and 3905.212 of 61  
the Revised Code be enacted to read as follows: 62

**Sec. 1514.02.** (A) After the dates the chief of the division 63  
of mineral resources management prescribes by rule pursuant to 64  
section 1514.08 of the Revised Code, but not later than July 1, 65  
1977, nor earlier than July 1, 1975, no operator shall engage in 66  
surface mining or conduct a surface mining operation without a 67  
permit issued by the chief. 68

An application for a permit shall be upon the form that the 69  
chief prescribes and provides and shall contain all of the 70  
following: 71

(1) The name and address of the applicant, of all partners if 72  
the applicant is a partnership, or of all officers and directors 73  
if the applicant is a corporation, and any other person who has a 74  
right to control or in fact controls the management of the 75  
applicant or the selection of officers, directors, or managers of 76  
the applicant; 77

(2) A list of the minerals and coal, if any coal, sought to 78  
be extracted, an estimate of the annual production rates for each 79  
mineral and coal, and a description of the land upon which the 80  
applicant proposes to engage in a surface mining operation, which 81  
description shall set forth the name of the counties, townships, 82  
and municipal corporations, if any, in which the land is located; 83  
the location of its boundaries; and a description of the land of 84  
sufficient certainty that it may be located and distinguished from 85  
other lands; 86

(3) An estimate of the number of acres of land that will 87  
comprise the total area of land to be affected and an estimate of 88  
the number of acres of land to be affected during the first year 89  
of operation under the permit; 90

(4) The name and address of the owner of surface rights in 91  
the land upon which the applicant proposes to engage in surface 92  
mining; 93

(5) A copy of the deed, lease, or other instrument that 94  
authorizes entry upon the land by the applicant or the applicant's 95  
agents if surface rights in the land are not owned by the 96  
applicant; 97

(6) A statement of whether any surface mining permits or coal 98  
mining and reclamation permits are now held by the applicant in 99  
this state and, if so, the numbers of the permits; 100

(7) A statement of whether the applicant, any partner if the 101  
applicant is a partnership, any officer or director if the 102  
applicant is a corporation, or any other person who has a right to 103  
control or in fact controls the management of the applicant or the 104  
selection of officers, directors, or managers of the applicant has 105  
ever had a surface mining permit or coal mining and reclamation 106  
permit issued by this or any other state suspended or revoked or 107  
has ever forfeited a surface mining or coal mining and reclamation 108  
bond or cash, an irrevocable letter of credit, or a security 109  
deposited in lieu of a bond; 110

(8) A report of the results of test borings that the operator 111  
has conducted on the area or otherwise has readily available, 112  
including, to the extent that the information is readily available 113  
to the operator, the nature and depth of overburden and material 114  
underlying each mineral or coal deposit, and the thickness and 115  
extent of each mineral or coal deposit. All information relating 116  
to test boring results submitted to the chief pursuant to this 117

section shall be kept confidential and not made a matter of public 118  
record, except that the information may be disclosed by the chief 119  
in any legal action in which the truthfulness of the information 120  
is material. 121

(9) A complete plan for mining and reclamation of the area to 122  
be affected, which shall include a statement of the intended 123  
future uses of the area and show the approximate sequence in which 124  
mining and reclamation measures are to occur, the approximate 125  
intervals following mining during which the reclamation of all 126  
various parts of the area affected will be completed, and the 127  
measures the operator will perform to prevent damage to adjoining 128  
property and to achieve all of the following general performance 129  
standards for mining and reclamation: 130

(a) Prepare the site adequately for its intended future uses 131  
upon completion of mining; 132

(b) Where a plan of zoning or other comprehensive plan has 133  
been adopted that governs land uses or the construction of public 134  
improvements and utilities for an area that includes the area 135  
sought to be mined, ensure that future land uses within the site 136  
will not conflict with the plan; 137

(c) Grade, contour, or terrace final slopes, wherever needed, 138  
sufficient to achieve soil stability and control landslides, 139  
erosion, and sedimentation. Highwalls will be permitted if they 140  
are compatible with the future uses specified in the plan and 141  
measures will be taken to ensure public safety. Where ponds, 142  
impoundments, or other resulting bodies of water are intended for 143  
recreational use, establish banks and slopes that will ensure safe 144  
access to those bodies of water. Where such bodies of water are 145  
not intended for recreation, include measures to ensure public 146  
safety, but access need not be provided. 147

(d) Resoil the area of land affected, wherever needed, with 148

topsoil or suitable subsoil, fertilizer, lime, or soil amendments, 149  
as appropriate, in sufficient quantity and depth to raise and 150  
maintain a diverse growth of vegetation adequate to bind the soil 151  
and control soil erosion and sedimentation; 152

(e) Establish a diverse vegetative cover of grass and legumes 153  
or trees, grasses, and legumes capable of self-regeneration and 154  
plant succession wherever required by the plan; 155  
156

(f) Remove or bury any metal, lumber, equipment, or other 157  
refuse resulting from mining, and remove or bury any unwanted or 158  
useless structures; 159

(g) Reestablish boundary, section corner, government, and 160  
other survey monuments that were removed by the operator; 161

(h) During mining and reclamation, ensure that contamination, 162  
resulting from mining, of underground water supplies is prevented. 163  
Upon completion of reclamation, ensure that any lake or pond 164  
located within the site boundaries is free of substances resulting 165  
from mining in amounts or concentrations that are harmful to 166  
persons, fish, waterfowl, or other beneficial species of aquatic 167  
life. 168

(i) During mining and reclamation, control drainage so as to 169  
prevent the causing of flooding, landslides, and flood hazards to 170  
adjoining lands resulting from the mining operation. Leave any 171  
ponds in such condition as to avoid their constituting a hazard to 172  
adjoining lands. 173

(j) Ensure that mining and reclamation are carried out in the 174  
sequence and manner set forth in the plan and that reclamation 175  
measures are performed in a timely manner. All reclamation of an 176  
area of land affected shall be completed no later than three years 177  
following the mining of the area unless the operator makes a 178  
showing satisfactory to the chief that the future use of the area 179

requires a longer period for completing reclamation. 180

(k) During mining, store topsoil or fill in quantities 181  
sufficient to complete the backfilling, grading, contouring, 182  
terracing, and resoiling that is specified in the plan. Stabilize 183  
the slopes of and plant each spoil bank to control soil erosion 184  
and sedimentation wherever substantial damage to adjoining 185  
property might occur. 186

(l) During mining, promptly remove, store, or cover any coal, 187  
pyritic shale, or other acid producing materials in a manner that 188  
will minimize acid drainage and the accumulation of acid water; 189  
190

(m) During mining, detonate explosives in a manner that will 191  
prevent damage to adjoining property. 192

(10) For any applicant who intends to extract less than ten 193  
thousand tons of minerals per year and no incidental coal, a 194  
current tax map, in triplicate and notarized, and the appropriate 195  
United States geological survey seven and one-half minute 196  
topographic map. Each copy shall bear the applicant's name and 197  
shall identify the area of land to be affected corresponding to 198  
the application. 199

(11) For any applicant who intends to extract ten thousand 200  
tons of minerals or more per year or who intends to extract any 201  
incidental coal irrespective of the tonnage of minerals intended 202  
to be mined, a map, in triplicate, on a scale of not more than 203  
four hundred feet to the inch, or three copies of an enlarged 204  
United States geological survey topographic map on a scale of not 205  
more than four hundred feet to the inch. 206

The map shall comply with all of the following: 207

(a) Be prepared and certified by a professional engineer or 208  
surveyor registered under Chapter 4733. of the Revised Code; 209

(b) Identify the area of land to be affected corresponding to the application;	210 211
(c) Show the probable limits of subjacent and adjacent deep, strip, or surface mining operations, whether active, inactive, or mined out;	212 213 214
(d) Show the boundaries of the area of land to be affected during the period of the permit and the area of land estimated to be affected during the first year of operation, and name the surface and mineral owners of record of the area and the owners of record of adjoining surface properties;	215 216 217 218 219
(e) Show the names and locations of all streams, creeks, or other bodies of water, roads, railroads, utility lines, buildings, cemeteries, and oil and gas wells on the area of land to be affected and within five hundred feet of the perimeter of the area;	220 221 222 223 224
(f) Show the counties, municipal corporations, townships, and sections in which the area of land to be affected is located;	225 226
(g) Show the drainage plan on, above, below, and away from the area of land to be affected, indicating the directional flow of water, constructed drainways, natural waterways used for drainage, and the streams or tributaries receiving or to receive this discharge;	227 228 229 230 231
(h) Show the location of available test boring holes that the operator has conducted on the area of land to be affected or otherwise has readily available;	232 233 234
(i) Show the date on which the map was prepared, the north direction and the quadrangle sketch, and the exact location of the operation;	235 236 237
(j) Show the type, kind, location, and references of all existing boundary, section corner, government, and other survey	238 239



monuments within the area to be affected and within five hundred  
feet of the perimeter of the area.

240  
241

The certification of the maps shall read: "I, the  
undersigned, hereby certify that this map is correct, and shows to  
the best of my knowledge and belief all of the information  
required by the surface mining laws of the state." The  
certification shall be signed and attested before a notary public.  
The chief may reject any map as incomplete if its accuracy is not  
so certified and attested.

242  
243  
244  
245  
246  
247  
248

(12) A certificate of public liability insurance issued by an  
insurance company authorized to do business in this state or  
obtained pursuant to sections 3905.30 to ~~3905.35~~ 3905.34 of the  
Revised Code covering all surface mining operations of the  
applicant in this state and affording bodily injury and property  
damage protection in amounts not less than the following:

249  
250  
251  
252  
253  
254

(a) One hundred thousand dollars for all damages because of  
bodily injury sustained by one person as the result of any one  
occurrence, and three hundred thousand dollars for all damages  
because of bodily injury sustained by two or more persons as the  
result of any one occurrence;

255  
256  
257  
258  
259

(b) One hundred thousand dollars for all claims arising out  
of damage to property as the result of any one occurrence, with an  
aggregate limit of three hundred thousand dollars for all property  
damage to which the policy applies.

260  
261  
262  
263

(B) No permit application or amendment shall be approved by  
the chief if the chief finds that the reclamation described in the  
application will not be performed in full compliance with this  
chapter or that there is not reasonable cause to believe that  
reclamation as required by this chapter will be accomplished.

264  
265  
266  
267  
268

The chief shall issue an order denying an application for an  
operating permit or an amendment if the chief determines that the

269  
270

measures set forth in the plan are likely to be inadequate to  
prevent damage to adjoining property or to achieve one or more of  
the performance standards required in division (A)(9) of this  
section.

271  
272  
273  
274

No permit application or amendment shall be approved to  
surface mine land adjacent to a public road in violation of  
section 1563.11 of the Revised Code.

275  
276  
277

To ensure adequate lateral support, no permit application or  
amendment shall be approved to engage in surface mining on land  
that is closer than fifty feet of horizontal distance to any  
adjacent land or waters in which the operator making application  
does not own the surface or mineral rights unless the owners of  
the surface and mineral rights in and under the adjacent land or  
waters consent in writing to surface mining closer than fifty feet  
of horizontal distance. The consent, or a certified copy thereof,  
shall be attached to the application as a part of the permanent  
record of the application for a surface mining permit.

278  
279  
280  
281  
282  
283  
284  
285  
286  
287

The chief shall issue an order granting a permit upon the  
chief's approval of an application, as required by this section,  
filing of the performance bond required by section 1514.04 of the  
Revised Code, and payment of a permit fee in the amount of two  
hundred fifty dollars and an acreage fee in the amount of thirty  
dollars multiplied by the number of acres estimated in the  
application that will comprise the area of land to be affected  
within the first year of operation under the permit, but which  
acreage fee shall not exceed one thousand dollars per year.

288  
289  
290  
291  
292  
293  
294  
295  
296

The chief may issue an order denying a permit if the chief  
finds that the applicant, any partner if the applicant is a  
partnership, any officer or director if the applicant is a  
corporation, or any other person who has a right to control or in  
fact controls the management of the applicant or the selection of  
officers, directors, or managers of the applicant has

297  
298  
299  
300  
301  
302

substantially or materially failed to comply or continues to fail 303  
to comply with this chapter, which failure may consist of one or 304  
more violations thereof, a rule adopted thereunder, or an order of 305  
the chief or failure to perform reclamation as required by this 306  
chapter. The chief may deny or revoke the permit of any person who 307  
so violates or fails to comply or who purposely misrepresents or 308  
omits any material fact in the application for the permit or an 309  
amendment to a permit. 310

If the chief denies the permit, the chief shall state the 311  
reasons for denial in the order denying the permit. 312

Each permit shall be issued upon condition that the operator 313  
will comply with this chapter and perform the measures set forth 314  
in the operator's plan of mining and reclamation in a timely 315  
manner and upon the right of the chief, mineral resources 316  
inspectors, or other authorized representatives of the chief to 317  
enter upon the premises of the operator at reasonable times for 318  
the purposes of determining whether or not there is compliance 319  
with this chapter. 320

(C) If the chief approves the application, the order granting 321  
the permit shall authorize the person to whom the permit is issued 322  
to engage as the operator of a surface mining operation upon the 323  
land described in the permit during a period that shall expire ten 324  
years after the date of issuance of the permit, or upon the date 325  
when the chief, after inspection, orders the release of any 326  
remaining performance bond deposited to assure satisfactory 327  
performance of the reclamation measures required pursuant to this 328  
chapter, whichever occurs earlier. 329

(D) Before an operator engages in a surface mining operation 330  
on land not described in the operator's permit, but that is 331  
contiguous to the land described in the operator's permit, the 332  
operator shall file with the chief an application for an amendment 333  
to the operator's permit. Before approving an amendment, the chief 334

shall require the information, maps, fees, and performance bond as  
required for an original application under this section and shall  
apply the same prohibitions and restrictions applicable to land  
described in an original application for a permit. If the chief  
disapproves the amendment, the chief shall state the reasons for  
disapproval in the order disapproving the amendment. Upon the  
approval of an amendment by the chief, the operator shall be  
authorized to engage in surface mining on the land described in  
the operator's original permit plus the land described in the  
amendment until the date when the permit expires, or when the  
chief, after inspection, orders the release of any remaining  
performance bond deposited to assure satisfactory performance of  
the reclamation measures required pursuant to this chapter,  
whichever occurs earlier.

(E) An operator, at any time and upon application therefor  
and approval by the chief, may amend the plan of mining and  
reclamation filed with the application for a permit in order to  
change the reclamation measures to be performed, modify the  
interval after mining within which reclamation measures will be  
performed, change the sequence in which mining or reclamation will  
occur at specific locations within the area affected, mine acreage  
previously mined or reclaimed, or for any other purpose, provided  
that the plan, as amended, includes measures that the chief  
determines will be adequate to prevent damage to adjoining  
property and to achieve the performance standards set forth in  
division (A)(9) of this section.

The chief may propose one or more amendments to the plan in  
writing, within ninety days after the fifth anniversary of the  
date of issuance of the permit and upon a finding of any of the  
following conditions after a complete review of the plan and  
inspection of the area of land affected, and the plan shall be so  
amended upon written concurrence in the findings and approval of

335  
336  
337  
338  
339  
340  
341  
342  
343  
344  
345  
346  
347  
348  
349  
350  
351  
352  
353  
354  
355  
356  
357  
358  
359  
360  
361  
362  
363  
364  
365  
366

the amendments by the operator: 367

(1) An alternate measure, in lieu of one previously approved 368  
in the plan, will more economically or effectively achieve one or 369  
more of the performance standards. 370

(2) Developments in reclamation technology make an alternate 371  
measure to achieve one or more of the performance standards more 372  
economical, feasible, practical, or effective. 373

(3) Changes in the use or development of adjoining lands 374  
require changes in the intended future uses of the area of land 375  
affected in order to prevent damage to adjoining property. 376

(F) The chief shall issue an order granting or denying an 377  
operating permit or amendment to a permit or approving or denying 378  
an amendment to the operator's plan of mining and reclamation 379  
within ninety days after the filing of an application therefor. If 380  
the chief fails to act within that period with respect to a 381  
surface mining operation that existed prior to the initial date by 382  
which the chief requires a permit to be obtained, the operator may 383  
continue the operation until the chief issues an order denying a 384  
permit for the operation, and if the operator elects to appeal the 385  
order pursuant to section 1513.13 of the Revised Code, until the 386  
reclamation commission affirms the order of the chief denying the 387  
permit, and if the operator elects to appeal the order of the 388  
commission pursuant to section 1513.14 of the Revised Code, until 389  
the court of common pleas affirms the order. 390

**Sec. 1751.38.** (A) As used in this section, "agent" means a 391  
person appointed by a health insuring corporation to engage in the 392  
solicitation or enrollment of subscribers or enrollees. 393

(B) Agents of health insuring corporations shall be licensed 394  
~~pursuant to section 3905.02 or 3905.18~~ as insurance producers in 395  
accordance with Chapter 3905. of the Revised Code. 396

(C) ~~Sections 3905.02, 3905.16 to 3905.18, 3905.181, 3905.19,~~ 397  
~~3905.23, 3905.40, 3905.41, 3905.42, 3905.46 to 3905.48, 3905.481,~~ 398  
~~3905.482, 3905.486, 3905.49, 3905.491, 3905.492, 3905.50, 3905.71~~ 399  
~~to 3905.79, and 3905.99~~ Chapter 3905. of the Revised Code shall 400  
apply to health insuring corporations and the agents of health 401  
insuring corporations in the same manner in which these sections 402  
apply to insurers and ~~agents of insurers~~ insurance producers. 403

**Sec. 2927.27.** (A) No person, other than a law enforcement 404  
officer, shall apprehend, detain, or arrest a principal on bond, 405  
wherever issued, unless that person meets all of the following 406  
criteria: 407

(1) The person is any of the following: 408

(a) Qualified, licensed, and appointed as a surety bail bond 409  
~~agent~~ producer under sections 3905.83 to 3905.95 of the Revised 410  
Code; 411

(b) Licensed as a surety bail bond ~~agent~~ producer by the 412  
state where the bond was written; 413

(c) Licensed as a private investigator under ~~chapter~~ Chapter 414  
4749. of the Revised Code; 415

(d) Licensed as a private investigator by the state where the 416  
bond was written; 417

(e) An off-duty peace officer, as defined in section 2921.51 418  
of the Revised Code. 419

(2) The person, prior to apprehending, detaining, or 420  
arresting the principal, has entered into a written contract with 421  
the surety or with a licensed surety bail bond ~~agent~~ producer 422  
appointed by the surety, which contract sets forth the name of the 423  
principal who is to be apprehended, detained, or arrested. 424

For purposes of division (A)(2) of this section, "surety" has 425

the same meaning as in section 3905.83 of the Revised Code. 426

(3) The person, prior to apprehending, detaining, or 427  
arresting the principal, has notified the local law enforcement 428  
agency having jurisdiction over the area in which such activities 429  
will be performed and has provided any form of identification or 430  
other information requested by the law enforcement agency. 431

(B) No person shall represent the person's self to be a bail 432  
enforcement agent or bounty hunter, or claim any similar title, in 433  
this state. 434

(C)(1) Whoever violates this section is guilty of illegal 435  
bail bond ~~agent~~ producer practices. 436

(2) A violation of division (A) of this section is a 437  
misdemeanor of the first degree or, if the offender previously has 438  
been convicted of or pleaded guilty to two or more violations of 439  
division (A) of this section, a felony of the third degree. 440

(3) A violation of division (B) of this section is a 441  
misdemeanor of the first degree or, if the offender previously has 442  
been convicted of or pleaded guilty to two or more violations of 443  
division (B) of this section, a felony of the third degree. 444

**Sec. 3901.021.** Three-fourths of all appointment and other 445  
fees collected under ~~sections 3905.02, 3905.03, 3905.07, and~~ 446  
~~3905.18,~~ division (B) of section 3905.20 and division (A)(6) of 447  
section ~~3905.26~~ 3905.40 of the Revised Code shall be paid into the 448  
state treasury to the credit of the department of insurance 449  
operating fund, which is hereby created. The remaining one-fourth 450  
shall be credited to the general revenue fund. All operating 451  
expenses of the department of insurance except those expenses 452  
defined under section 3901.07 of the Revised Code shall be paid 453  
from the department of insurance operating fund. 454

**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 486  
3901.18, ~~3901.74, 3901.75, 3901.86~~, 3903.73, ~~3905.24, 3905.25,~~ 487  
~~3905.41,~~ 3907.07, 3909.03, 3909.09, 3909.17, 3913.01, 3913.04, 488  
3919.13, 3919.36, 3919.37, 3919.41, 3925.07, 3927.02, 3927.06, 489  
3929.01, 3929.07, 3929.08, 3929.09, 3929.10, 3929.11, 3941.30, 490  
3941.31, 3941.32, 3941.33, 3941.34, 3941.42, 3953.06, 3953.11, and 491  
3957.03 of the Revised Code. 492

(F) "Securities" has the same meaning as in section 1308.01 493  
of the Revised Code. 494

**Sec. 3901.62.** (A) Except as provided in sections 3901.63 and 495  
3901.64 of the Revised Code, a domestic ceding insurer that is 496  
authorized to do any insurance business in this state may take 497  
credit for any reinsurance ceded as either an asset or a reduction 498  
of liability only if one of the following applies: 499

(1) The reinsurance is ceded to an assuming insurer that is 500  
authorized to do any insurance or reinsurance business in this 501  
state. 502

(2) The reinsurance is ceded to an assuming insurer that is 503  
not authorized to do any insurance or reinsurance business in this 504  
state, provided the reinsurance is ceded to a reinsurance pool or 505  
other risk-sharing entity in which participation is required by 506  
law, rule, or regulation of the jurisdiction in which the pool or 507  
entity is located. 508

(3) The reinsurance is ceded to an assuming insurer that 509  
maintains a trust fund in a qualified United States financial 510  
institution, as defined in division (B)(2) of section 3901.63 of 511  
the Revised Code, for the payment of the valid claims of its 512  
United States policyholders and ceding insurers, and their assigns 513  
and successors in interest. 514

(B) A trust maintained by an assuming insurer under division 515

(A)(3) of this section shall meet the following requirements: 516

(1) In the case of a single assuming insurer, the trust shall 517  
consist of a trustee account representing the assuming insurer's 518  
liabilities attributable to business underwritten in the United 519  
States. A trustee surplus of not less than twenty million dollars 520  
shall be maintained by the assuming insurer. 521

(2) In the case of a group of assuming insurers, including 522  
incorporated and individual unincorporated underwriters, the trust 523  
shall consist of a trustee account representing the group's 524  
liabilities attributable to business written in the United States. 525  
A trustee surplus shall be maintained by the group, of which 526  
surplus one hundred million dollars shall be held jointly for the 527  
benefit of the United States ceding insurers of any member of the 528  
group. The following requirements apply to the group of assuming 529  
insurers: 530

(a) The incorporated members of the group shall not engage in 531  
any business other than underwriting as a member of the group, and 532  
shall be subject to the same level of solvency regulation and 533  
control by the group's domiciliary regulator as are the 534  
unincorporated members. 535

(b) The group shall make available to the superintendent of 536  
insurance an annual certification of the solvency of each 537  
underwriter in the group. The certification shall be provided by 538  
the group's domiciliary regulator and its independent public 539  
accountants. 540

(3) In the case of a group of incorporated insurers under 541  
common administration with aggregate policyholders' surplus of ten 542  
billion dollars that has continuously transacted an insurance 543  
business outside the United States for at least three years 544  
immediately prior to assuming reinsurance, the trust shall be in 545  
an amount equal to the group's several liabilities attributable to 546

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 trusteed 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. 578

(3) The trust, and the assuming insurer maintaining the 579  
trust, shall allow the superintendent to conduct examinations in 580  
the same manner as the superintendent conducts examinations of 581  
insurers under section 3901.07 of the Revised Code. 582

(D) No later than the last day of February of each year, the 583  
trustees of a trust maintained by an assuming insurer under 584  
division (A)(3) of this section shall provide the superintendent 585  
with a written report setting forth the balance of the trust and 586  
listing the trust's investments as of the preceding thirty-first 587  
day of December. The trustees shall certify the date of the 588  
termination of the trust, if termination of the trust is planned, 589  
or shall certify that the trust does not expire prior to the 590  
following thirty-first day of December. 591

(E) To enable the superintendent to determine the sufficiency 592  
of a trust maintained by an assuming insurer under division (A)(3) 593  
of this section, the assuming insurer shall annually report 594  
information on the trust to the superintendent that is 595  
substantially the same as that information licensed insurers are 596  
required to report under sections 3907.19, 3909.06, and 3929.30 of 597  
the Revised Code on forms adopted under section ~~3905.29~~ 3901.77 of 598  
the Revised Code. 599

(F) An assuming insurer shall file a written instrument 600  
appointing an attorney as its agent in this state upon whom all 601  
service of process may be served. Service of process upon this 602  
agent shall bring the assuming insurer within the jurisdiction of 603  
the courts of this state as if served upon an agent pursuant to 604  
section 3927.03 of the Revised Code. 605

**Sec. ~~3905.24~~ 3901.74.** When a life insurance company doing 606  
business in this state decides to discontinue its business, the 607  
superintendent of insurance upon the application of ~~such~~ the 608

company or association shall give notice, at its expense, of such 609  
intention at least once a week for six weeks in a newspaper 610  
published and of general circulation in the county in which ~~such~~ 611  
the company or its general agency is located. After such 612  
publication, the superintendent shall deliver to ~~such~~ the company 613  
or association its securities held by ~~him~~ the superintendent, if 614  
~~he~~ the superintendent is satisfied on an exhibition of its books 615  
and papers, and on an examination made by ~~himself~~ the 616  
superintendent or by some competent, disinterested person 617  
appointed by ~~him~~ the superintendent, and upon the oath of the 618  
president or principal officer and the secretary or actuary of 619  
~~such~~ the company, that all debts and liabilities due or to become 620  
due upon any contract or agreement made with any citizen or 621  
resident of the United States are paid and extinguished. The 622  
superintendent may deliver to ~~such~~ the company or association or 623  
its assigns any portion of ~~such~~ the securities on being satisfied 624  
that an equal proportion of the debts and liabilities due or to 625  
become due upon any such contract or agreement have been 626  
satisfied, if the amount of securities retained by ~~him~~ the 627  
superintendent is not less than twice the amount of the remaining 628  
liabilities. 629

**Sec. 3905.25 3901.75.** When any insurance company or 630  
corporation other than life, which company or corporation has made 631  
a deposit with the superintendent of insurance, intends to 632  
discontinue its business in this state, the superintendent, upon 633  
the application of ~~such~~ the company or corporation, shall give 634  
notice at its expense of such intention at least once a week for 635  
six weeks in three newspapers of general circulation in the state. 636

After such publication, the superintendent shall deliver to 637  
~~such~~ the company or association its securities held by ~~him~~ the 638  
superintendent, if ~~he~~ the superintendent is satisfied by the 639  
affidavits of the principal officers of the company, and on an 640

examination made by ~~him~~ the superintendent or by some competent, 641  
disinterested person appointed by ~~him~~ the superintendent if ~~he~~ the 642  
superintendent deems it necessary, that all liabilities and 643  
obligations which ~~said~~ the deposit has been made to secure have 644  
been paid and extinguished. The superintendent may deliver to ~~such~~ 645  
the company or its assigns, under like condition, any portion of 646  
~~such~~ the securities on being satisfied that an equal proportion of 647  
~~said~~ the liabilities and obligations have been satisfied, if the 648  
amount of securities retained by ~~him~~ the superintendent is not 649  
less than twice the amount of the remaining liabilities and 650  
obligations. 651

**Sec. ~~3905.28~~ 3901.76.** As used in this section, "securities" 652  
means the stocks, bonds, debentures, and other assets subject from 653  
time to time to valuation by the committee on valuation of 654  
securities of the national association of insurance commissioners. 655

For the purpose of enabling the superintendent of insurance 656  
to secure the analyses, reports, and information developed by the 657  
committee on valuation of securities of the national association 658  
of insurance commissioners and to pay for such information by 659  
cooperating with other states in defraying the expenses of ~~such~~ 660  
the committee in the investigation, analysis, and valuation of 661  
securities and the determination of amortizability of bonds owned 662  
by life insurance companies for the purpose of furnishing to the 663  
several states on a uniform basis the information needed in the 664  
supervision of insurance companies licensed to transact business 665  
in the several states, there is hereby created in the state 666  
treasury the security valuation expense fund. 667

The superintendent may collect and disburse, in cooperation 668  
with supervisory officials of other states, the moneys obtained 669  
through assessments as provided in this section. All moneys which 670  
are paid into the fund shall be used only for the purpose of this 671  
section. 672

The superintendent may contract with the committee to make 673  
available to the department of insurance the analyses, reports, 674  
and information developed by the committee and, after taking into 675  
consideration similar payments ~~which~~ that may be made by other 676  
states, may make payment to ~~such~~ the committee to the extent 677  
authorized by this section, on account of the expenses of the 678  
committee, from the fund. 679

The superintendent shall periodically obtain from the 680  
committee a verified budget estimate of the receipts and of the 681  
expenses to be incurred by the committee for a stated period, not 682  
exceeding one year, with appropriate explanations of the estimates 683  
therein contained. 684

If the superintendent is satisfied as to the reasonableness 685  
of ~~such~~ the budget estimate, ~~he~~ the superintendent shall determine 686  
the portion of the moneys required by ~~such~~ the budget estimate, to 687  
be assessed as provided in this section, by deducting from ~~such~~ 688  
the budget estimate or from the sum of two hundred fifty thousand 689  
dollars, whichever is less, any amounts received or receivable by 690  
the committee from states with laws that do not substantially 691  
conform to the method of assessment provided in this section and 692  
applying to the remainder the proportion ~~which~~ that the total 693  
investments in securities of domestic life insurers bear to the 694  
total investments in securities of life insurers domiciled in this 695  
and other states with laws that authorize and require assessments 696  
on substantially the same basis as provided in this section. The 697  
superintendent shall thereafter, as soon as convenient, by notice 698  
stating the method of computation thereof, assess the amount to be 699  
paid on account of such expenses, pro rata upon all domestic life 700  
insurers in the proportion ~~which~~ that the total investments in 701  
securities of each domestic life insurer bear to the total 702  
investments in securities of all domestic life insurers. The total 703  
investments in securities of any life insurer for purposes of this 704

section shall be the total admitted value of the securities 705  
reported as such in its annual statement last filed prior to such 706  
assessment with the department or with the supervisory officials 707  
of its state of domicile. Upon receipt of ~~such the~~ notice each 708  
domestic life insurance company shall within thirty days 709  
thereafter pay the amount of the assessment to the superintendent, 710  
who shall deposit the amount in the state treasury to the credit 711  
of the fund. The superintendent shall make such disbursements from 712  
the fund in amounts and at the times determined by the 713  
superintendent under ~~his~~ the superintendent's contract with the 714  
committee. 715

The superintendent shall require annually, and at such other 716  
times as ~~he~~ the superintendent considers ~~it~~ necessary or 717  
advisable, a duly certified audit of receipts and disbursements 718  
and statement of assets and liabilities, showing the details of 719  
the financial operations of the committee. 720

**Sec. 3905.29 3901.77.** (A) The superintendent of insurance 721  
shall adopt the forms, instructions, and manuals prescribed by the 722  
national association of insurance commissioners, for the 723  
preparation and filing of statutory financial statements and other 724  
financial information. However, the superintendent may by rule 725  
adopt modifications to ~~such the~~ prescribed forms, instructions, 726  
and manuals as ~~he~~ the superintendent considers necessary. 727

(B) For circumstances not addressed by the forms, 728  
instructions, and manuals prescribed by the national association 729  
of insurance commissioners, the superintendent may determine 730  
accounting practices and methods for purposes of preparing 731  
statutory financial statements and other financial information. 732

(C) The superintendent shall furnish each domestic insurance 733  
company a printed copy of the forms for the filing of statutory 734  
financial statements and other financial information required to 735



be made by it.

736

**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.

737  
738  
739  
740  
741  
742  
743  
744  
745  
746  
747  
748  
749  
750  
751  
752  
753

**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.

754  
755  
756  
757  
758  
759  
760

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:

761  
762  
763  
764

(A) In a county having at the last preceding federal census a

765

population of not more than thirty thousand, a circulation of six hundred; 766  
767

(B) In a county having a population of over thirty thousand and not more than fifty thousand, a circulation of eight hundred; 768  
769

(C) In a county having a population of over fifty thousand and not more than one hundred thousand, a circulation of twelve hundred; 770  
771  
772

(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; 773  
774  
775

(E) In counties having a population of more than one hundred fifty thousand, a circulation of three thousand. 776  
777

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. 778  
779  
780  
781  
782  
783  
784  
785  
786  
787

**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 788  
789  
790  
791  
792  
793  
794  
795

do business was made, the counties in which it had agencies at the 796  
time of such publication, and the names of the newspapers in which 797  
the publication was made, with a copy of the certificate so 798  
published attached thereto. 799

**Sec. ~~3905.13~~ 3901.783.** If any insurance company or 800  
association mentioned in section ~~3905.12~~ 3901.782 of the Revised 801  
Code fails to comply with the laws relating to the publication of 802  
the certificate mentioned in ~~such~~ that section, the superintendent 803  
of insurance shall suspend its authority to do business in any 804  
county ~~where such~~ in which the publication has not been made, 805  
until ~~such~~ the publication is made, but if it appears that ~~such~~ 806  
the publication has not been made in any county through mistake or 807  
oversight, such authority shall not be suspended in the county if 808  
~~such~~ the publication is made within a time designated by the 809  
superintendent. 810

**Sec. ~~3905.14~~ 3901.784.** Publication of a certificate of 811  
compliance in a newspaper shall not be approved by the 812  
superintendent of insurance unless prior to ~~such~~ the publication 813  
~~he~~ the superintendent has certified that ~~such~~ the newspaper is one 814  
published and of general circulation in the county, but if 815  
publication has been made in any such newspaper without ~~such~~ the 816  
certification and a report filed as required by section ~~3905.12~~ 817  
3901.782 of the Revised Code, and ~~such~~ the certificate of the 818  
superintendent is procured within the time ~~he~~ the superintendent 819  
designates, publication in ~~such~~ the newspaper shall be approved. 820  
The superintendent shall keep a book in which shall be recorded 821  
the names of the newspapers so certified as newspapers of general 822  
circulation, which book shall be open to inspection, and every 823  
such certificate of circulation shall remain in force until 824  
revoked, provided that the superintendent may demand further 825  
certificates as to the circulation of any such newspaper. 826

**Sec. ~~3905.41~~ 3901.86.** (A) When the laws of any other state, 827  
district, territory, or nation impose any taxes, fines, penalties, 828  
license fees, deposits of money, securities, or other obligations 829  
or prohibitions on insurance companies of this state doing 830  
business in ~~such~~ that state, district, territory, or nation, or 831  
upon their agents therein, the same obligations and prohibitions 832  
shall be imposed upon insurance companies of ~~such~~ the other state, 833  
district, or nation doing business in this state and upon their 834  
agents. 835

When the laws of any other state, district, territory, or 836  
nation impose a requirement for countersignature and payment of a 837  
fee or commission upon agents of this state for placing any 838  
coverage in that state, district, territory, or nation, then the 839  
same requirements of countersignature and fee or commission shall 840  
be imposed upon agents of that state, district, territory, or 841  
nation for placing any coverage in this state. 842

(B) Beginning on ~~the effective date of this amendment~~ July 1, 843  
1993, twenty per cent of the amount that is collected under 844  
division (A) of this section from foreign insurance companies that 845  
sell fire insurance to residents of this state shall be paid into 846  
the state fire marshal's fund created under section 3737.71 of the 847  
Revised Code. The director of commerce, with the approval of the 848  
director of budget and management, may increase the percentage 849  
described in this division so that it will yield an amount that 850  
the director of commerce determines necessary to assist in the 851  
maintenance and administration of the office of the fire marshal 852  
and in defraying the costs of operating the Ohio fire academy 853  
established by section 3737.33 of the Revised Code. 854

**Sec. 3903.81.** As used in sections 3903.81 to 3903.93 of the 855  
Revised Code: 856

(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.	857 858 859
(B) "Authorized control level RBC" means the number determined under the risk-based capital formula in accordance with the RBC instructions.	860 861 862
(C) "Company action level RBC" means the product of 2.0 and an insurer's authorized control level RBC.	863 864
(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.	865 866 867 868
(E) "Domestic insurer" means any insurance company organized under Chapter 3907. or 3925. of the Revised Code.	869 870
(F) "Foreign insurer" means any insurance company licensed under section 3909.01 or 3927.01 of the Revised Code.	871 872
(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.	873 874 875 876 877
(H) "Mandatory control level RBC" means the product of .70 and an insurer's authorized control level RBC.	878 879
(I) "NAIC" means the national association of insurance commissioners.	880 881
(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.	882 883 884
(K) "Property and casualty insurer" means any insurance company that has a certificate of authority pursuant to section	885 886

3929.01 of the Revised Code. "Property and casualty insurer" does 887  
not include monoline mortgage guarantee insurers, financial 888  
guarantee insurers, or title insurers. 889

(L) "RBC" means risk based capital. 890

(M) "RBC<sup>4</sup> instructions" means the RBC report, including 891  
risk-based capital instructions, as adopted by the NAIC and as 892  
amended by the NAIC from time to time in accordance with the 893  
procedures adopted by the NAIC. However, no NAIC amendment to the 894  
RBC instructions shall become effective until the superintendent 895  
has adopted by rule the RBC instructions as so amended. "RBC 896  
instructions" shall also include any modifications adopted by the 897  
superintendent, as the superintendent considers to be necessary. 898

(N) "RBC level" means an insurer's company action level RBC, 899  
regulatory action level RBC, authorized control level RBC, or 900  
mandatory control level RBC. 901

(O) "RBC plan" means a comprehensive financial plan 902  
containing the elements specified in division (B) of section 903  
3903.83 of the Revised Code. 904

(P) "Revised RBC plan" means an RBC plan rejected by the 905  
superintendent of insurance and then revised by an insurer with or 906  
without incorporating the superintendent of insurance's 907  
recommendation. 908

(Q) "RBC report" means the report required by section 3903.82 909  
of the Revised Code. 910

(R) "Regulatory action level RBC" means the product of 1.5 911  
and an insurer's authorized control level RBC. 912

(S) "Total adjusted capital" means the sum of both of the 913  
following: 914

(1) An insurer's statutory capital and surplus as determined 915  
in accordance with the statutory accounting applicable to the 916

annual statements prepared on a form adopted under section 3905.29 917  
3901.77 of the Revised Code, as required to be filed by sections 918  
3907.19, 3909.06, and 3929.30 of the Revised Code; 919

(2) Such other items, if any, as the RBC instructions may 920  
provide. 921

**Sec. 3905.01. As used in this chapter:** 922

(A) "Business entity" means a corporation, association, 923  
partnership, limited liability company, limited liability 924  
partnership, or other legal entity. 925

(B) "Home state" means the state or territory of the United 926  
States, including the District of Columbia, in which an insurance 927  
producer maintains the insurance producer's principal place of 928  
residence or principal place of business and is licensed to act as 929  
an insurance producer. 930

(C) "Insurance" means any of the lines of authority set forth 931  
in Chapter 1739., 1751., or 1761. or Title XXXIX of the Revised 932  
Code, or as additionally determined by the superintendent of 933  
insurance. 934

(D) "Insurance producer" or "producer" means any person that, 935  
in order to sell, solicit, or negotiate insurance, is required to 936  
be licensed under the laws of this state, including limited lines 937  
producers and surplus lines brokers. Whenever "insurance agent" is 938  
referred to in any statute or rule of this state, the reference 939  
shall be considered to have the same meaning as "insurance 940  
producer." 941

(E) "Insurer" has the same meaning as in section 3901.32 of 942  
the Revised Code. 943

(F) "License" means a document issued by the superintendent 944  
that authorizes a person to act as an insurance producer for the 945  
lines of authority specified in the document, but that does not 946

create any actual, apparent, or inherent authority in the holder 947  
to represent or commit an insurer. 948

(G) "Limited line credit insurance" means credit life, credit 949  
disability, credit property, credit unemployment, involuntary 950  
unemployment, mortgage life, mortgage guaranty, mortgage 951  
disability, guaranteed automobile protection insurance, or any 952  
other form of insurance offered in connection with an extension of 953  
credit that is limited to partially or wholly extinguishing that 954  
credit obligation and that is designated by the superintendent as 955  
limited line credit insurance. 956

(H) "Limited line credit insurance producer" means a person 957  
that sells, solicits, or negotiates one or more forms of limited 958  
line credit insurance to individuals through a master, corporate, 959  
group, or individual policy. 960

(I) "Limited lines insurance" means those lines of authority 961  
set forth in division (B) of section 3905.06 of the Revised Code 962  
or in rules adopted by the superintendent, or any lines of 963  
authority the superintendent considers necessary to recognize for 964  
purposes of complying with division (B) of section 3905.072 of the 965  
Revised Code. 966

(J) "Limited lines insurance producer" means a person 967  
authorized by the superintendent to sell, solicit, or negotiate 968  
limited lines insurance. 969

(K) "NAIC" means the national association of insurance 970  
commissioners. 971

(L) "Negotiate" means to confer directly with, or offer 972  
advice directly to, a purchaser or prospective purchaser of a 973  
particular contract of insurance with respect to the substantive 974  
benefits, terms, or conditions of the contract, provided the 975  
person that is conferring or offering advice either sells 976  
insurance or obtains insurance from insurers for purchasers. 977



<u>(M) "Person" means an individual or a business entity.</u>	978
<u>(N) "Sell" means to exchange a contract of insurance by any means, for money or its equivalent, on behalf of an insurer.</u>	979 980
<u>(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.</u>	981 982 983
<u>(P) "Superintendent" or "superintendent of insurance" means the superintendent of insurance of this state.</u>	984 985
<u>(Q) "Terminate" means to cancel the relationship between an insurance producer and the insurer or to terminate an insurance producer's authority to transact insurance.</u>	986 987 988
<u>(R) "Uniform application" means the NAIC uniform application for resident and nonresident producer licensing, as amended by the NAIC from time to time.</u>	989 990 991
<u>(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.</u>	992 993 994
<u><b>Sec. 3905.02.</b> 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.</u>	995 996 997
<u><b>Sec. 3905.03.</b> Section 3905.02 of the Revised Code does not apply to any of the following:</u>	998 999
<u>(A) Any insurer. For purposes of this division, "insurer" does not include an insurer's officers, directors, employees, subsidiaries, or affiliates.</u>	1000 1001 1002
<u>(B) Any officer, director, or employee of an insurer or of an insurance producer, 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:</u>	1003 1004 1005 1006 1007

(1) 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; 1008  
1009  
1010  
1011

(2) 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; 1012  
1013  
1014  
1015

(3) 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 producers and do not include the sale, solicitation, or negotiation of insurance. 1016  
1017  
1018  
1019  
1020  
1021

(C) Any person who secures and furnishes information for purposes of group life insurance, group property and casualty insurance, group annuities, or group or blanket sickness and accident 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; 1022  
1023  
1024  
1025  
1026  
1027  
1028  
1029  
1030

(D) 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: 1031  
1032  
1033  
1034  
1035  
1036  
1037

(1) The employee benefits program involves the use of 1038

insurance contracts issued by an insurer. 1039

(2) The employer, association, officer, director, employee, 1040  
or trustee is not in any manner compensated, either directly or 1041  
indirectly, by the insurer issuing the insurance contracts. 1042

(E) Any employee of an insurer or of an organization employed 1043  
by an insurer, if the employee is engaged in the inspection, 1044  
rating, or classification of risks or in the supervision of the 1045  
training of insurance producers, and is not individually engaged 1046  
in the sale, solicitation, or negotiation of insurance; 1047

1048

(F) Any person whose activities in this state are limited to 1049  
advertising through communications in printed publications or in 1050  
the electronic mass media, the distribution of which is not 1051  
limited to residents of this state, if the person does not sell, 1052  
solicit, or negotiate insurance covering risks residing, located, 1053  
or to be performed in this state; 1054

(G) Any person who is not a resident of this state and who 1055  
sells, solicits, or negotiates a contract of insurance covering 1056  
commercial property and casualty risks located in more than one 1057  
state, if the person is licensed as an insurance producer to sell, 1058  
solicit, or negotiate that insurance contract in the state where 1059  
the insured maintains its principal place of business and the 1060  
contract insures risks located in that state; 1061

(H) Any salaried full-time employee who counsels or advises 1062  
the employee's employer with respect to the insurance interests of 1063  
the employer or of the employer's subsidiaries or business 1064  
affiliates, if the employer does not sell or solicit insurance or 1065  
receive a commission. 1066

**Sec. 3905.04.** (A) Except as otherwise provided in section 1067  
3905.041 of the Revised Code, a resident individual applying for 1068  
an insurance producer license for any of the lines of authority 1069

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 producer, 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. 1070  
1071  
1072  
1073  
1074  
1075  
1076  
1077

(B) The examination described in division (A) of this section shall be required for the following lines of authority: 1078  
1079

(1) Any of the lines of authority set forth in divisions (B)(1) to (6) of section 3905.06 of the Revised Code; 1080  
1081

(2) Title insurance; 1082

(3) Surety bail bonds as provided in sections 3905.83 to 3905.95 of the Revised Code; 1083  
1084

(4) Any other line of authority designated by the superintendent of insurance. 1085  
1086

(C) An individual shall not be permitted to take the examination described in division (A) of this section unless one or more of the following applies: 1087  
1088  
1089

(1) The individual has earned a bachelor's or associate's degree in insurance in an accredited institution. 1090  
1091

(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. 1092  
1093  
1094

1095

(3) The individual has a valid and current designation as a chartered property and casualty underwriter and has applied for any of the following lines of authority: 1096  
1097  
1098

(a) Property; 1099

<u>(b) Casualty;</u>	1100
<u>(c) Personal lines.</u>	1101
<u>(4) The individual has a valid and current designation as a chartered life underwriter and has applied for any of the following liens of authority:</u>	1102
<u>(a) Life;</u>	1103
<u>(b) Accident and health;</u>	1104
<u>(c) Variable life and variable annuity products.</u>	1105
<u>(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.</u>	1106
<u>(E)(1) The superintendent shall, in accordance with Chapter 119. of the Revised Code, adopt any rule necessary for the implementation of this section.</u>	1107
<u>(2) The superintendent shall 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.</u>	1108
<u>Sec. 3905.041. (A) An individual who applies for an insurance producer 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 if either of the following applies:</u>	1109
<u>(1) The individual is currently licensed for the same line or lines of authority in another state and the producer database maintained by the NAIC or its affiliates or subsidiaries indicates that the individual is licensed and in good standing for the line or lines of authority requested.</u>	1110
	1111
	1112
	1113
	1114
	1115
	1116
	1117
	1118
	1119
	1120
	1121
	1122
	1123
	1124
	1125
	1126
	1127
	1128
	1129

(2) The individual was previously licensed for the same line or lines of authority in another state, the person's application for an insurance producer license in this state is received within ninety days after the cancellation of the person's previous license, and either of the following requirements are met:

1130  
1131  
1132  
1133  
1134  
1135

(a) The prior home state issues a certification stating that, at the time of license cancellation, the person was in good standing in that state.

1136  
1137  
1138

(b) The producer database maintained by the NAIC or its affiliates or subsidiaries indicates that the person was licensed and in good standing in that state for the line or lines of authority requested.

1139  
1140  
1141  
1142

(B) Unless otherwise determined by the superintendent of insurance by rule, a person that applies for an insurance producer 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 if both of the following applies:

1143  
1144  
1145  
1146  
1147

(1) The person was licensed as an insurance producer in another state.

1148  
1149

(2) The person applies for a resident insurance producer license for the same line or lines of authority held in the prior state within ninety days after establishing legal residence in this state.

1150  
1151  
1152  
1153

(C) An individual who applies for a temporary insurance producer license in this state shall not be required under section 3905.04 of the Revised Code to pass a written examination.

1154  
1155  
1156

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

1157  
1158  
1159

Sec. 3905.05. (A) A natural person shall apply for a resident insurance producer 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, and direct that the bureau's written response 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. The superintendent of insurance, in the superintendent's discretion, may designate other governmental agencies or other sources to conduct the criminal records check. 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 producer shall apply for a resident insurance producer 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 1192  
issue an insurance producer license to an applicant who is a 1193  
resident individual if the superintendent finds all of the 1194  
following: 1195

(a) The applicant is at least eighteen years of age. 1196

(b) The applicant has not committed any act that is a ground 1197  
for the denial, suspension, or revocation of a license under 1198  
section 3905.14 of the Revised Code. 1199

(c) If required under section 3905.04 of the Revised Code, 1200  
the applicant has completed a prelicensing course of study for 1201  
each line of authority for which the person has applied. 1202

(d) If required under section 3905.04 of the Revised Code, 1203  
the applicant has passed an examination for each line of authority 1204  
for which the person has applied. 1205

(2) The superintendent shall issue an insurance producer 1206  
license to an applicant that is a resident business entity if the 1207  
superintendent finds both of the following: 1208

(a) The applicant has designated a licensed insurance 1209  
producer who will be responsible for the applicant's compliance 1210  
with the insurance laws of this state. 1211

(b) The applicant has not committed any act that is a ground 1212  
for the denial, suspension, or revocation of a license under 1213  
section 3905.14 of the Revised Code. 1214

(B) An insurance producer license issued pursuant to division 1215  
(A) of this section shall state the licensee's name, the license 1216  
number, the date of issuance, the date the license expires, the 1217  
line or lines of authority for which the licensee is qualified, 1218  
and any other information the superintendent deems necessary. 1219

A licensee may be qualified for any of the following lines of 1220  
1221



<u>authority:</u>	1222
<u>(1) Life, which is insurance coverage on human lives,</u>	1223
<u>including benefits of endowment and annuities, and may include</u>	1224
<u>benefits in the event of death or dismemberment by accident and</u>	1225
<u>benefits for disability income;</u>	1226
<u>(2) Accident and health, which is insurance coverage for</u>	1227
<u>sickness, bodily injury, or accidental death, and may include</u>	1228
<u>benefits for disability income;</u>	1229
<u>(3) Property, which is insurance coverage for the direct or</u>	1230
<u>consequential loss or damage to property of any kind;</u>	1231
<u>(4) Casualty, which is insurance coverage against legal</u>	1232
<u>disability, including coverage for death, injury, or disability or</u>	1233
<u>damage to real or personal property;</u>	1234
<u>(5) Variable life and variable annuity products, which is</u>	1235
<u>insurance coverage provided under variable life insurance</u>	1236
<u>contracts and variable annuities;</u>	1237
<u>(6) Personal lines, which is property and casualty insurance</u>	1238
<u>coverage sold to individuals and families for noncommercial</u>	1239
<u>purposes;</u>	1240
<u>(7) Credit, which is limited line credit insurance;</u>	1241
<u>(8) Title, which is insurance coverage against loss or damage</u>	1242
<u>suffered by reason of liens against, encumbrances upon, defects</u>	1243
<u>in, or the unmarketability of, real property;</u>	1244
<u>(9) Surety bail bond, which is the authority set forth in</u>	1245
<u>sections 3905.83 to 3905.95 of the Revised Code;</u>	1246
<u>(10) Any other line of authority designated by the</u>	1247
<u>superintendent.</u>	1248
<u>(C) Unless revoked or suspended by the superintendent, or</u>	1249
<u>surrendered by the licensee, an insurance producer license</u>	1250
<u>continues in force for the life of the licensee, subject to</u>	1251

compliance with the continuing education requirements for resident individual producers. 1252  
1253

Sec. 3905.061. (A) If a person licensed as an insurance producer 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. 1254  
1255  
1256  
1257  
1258

(B)(1) If a person licensed as an insurance producer 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. 1259  
1260  
1261  
1262  
1263  
1264

(2) If an insurance producer complies with division (B)(1) of this section, the producer's license shall be changed to that of a nonresident license and no fee or license application shall be required. 1265  
1266  
1267  
1268

Sec. 3905.07. (A) The superintendent of insurance shall issue a nonresident insurance producer license to an applicant that is a nonresident person if the superintendent finds all of the following: 1269  
1270  
1271  
1272

(1) The applicant is currently licensed as a resident and is in good standing in the applicant's home state. 1273  
1274

(2) The applicant has submitted the request for licensure prescribed by the superintendent. 1275  
1276

(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. 1277  
1278  
1279  
1280  
1281

(4) The applicant has not committed any act that is a ground 1282

for the denial, suspension, or revocation of a license under 1283  
section 3905.14 of the Revised Code. 1284

(5) The applicant's home state issues nonresident insurance 1285  
producer licenses to residents of this state on the same basis as 1286  
set forth in division (A) of this section. 1287

(B) The superintendent may verify the producer's licensing 1288  
status through the producer database maintained by the NAIC or its 1289  
affiliates or subsidiaries, or may request any other proof of good 1290  
standing. 1291

**Sec. 3905.071.** (A) If a nonresident person licensed as a 1292  
nonresident insurance producer under section 3905.07 of the 1293  
Revised Code changes the person's state of residence, the person 1294  
shall, within thirty days after making that change, file a change 1295  
of address with the superintendent of insurance and provide the 1296  
superintendent with certification from the new state of residence. 1297

(B) If a nonresident insurance producer complies with 1298  
division (A) of this section, no fee or license application shall 1299  
be required. 1300

**Sec. 3905.072.** (A)(1) Notwithstanding any other provision of 1301  
this chapter, the superintendent of insurance shall issue to a 1302  
nonresident person licensed as a surplus lines producer in the 1303  
person's home state a nonresident surplus lines producer license 1304  
in accordance with division (A) of section 3905.07 of the Revised 1305  
Code. 1306

(2) Nothing in section 3905.07, other than division (A) of 1307  
that section, otherwise affects or supersedes any provision of 1308  
sections 3905.30 to 3905.34 of the Revised Code. 1309

(B) Notwithstanding any other provision of this chapter, the 1310  
superintendent shall issue to a nonresident person licensed as a 1311  
limited line credit insurance producer or other type of limited 1312  
lines insurance producer in the person's home state a nonresident 1313

limited lines insurance producer license in accordance with 1314  
division (A) of section 3905.07 of the Revised Code, with the same 1315  
scope of authority as the person has under the license issued by 1316  
the person's home state. However, the recognition of a limited 1317  
lines authority under this division shall not create any new line 1318  
of authority. 1319

For purposes of this division, "limited lines insurance" 1320  
means any authority granted by the home state that is less than 1321  
the total authority provided in the associated major lines set 1322  
forth in divisions (B)(1) to (6) of section 3905.06 of the Revised 1323  
Code. 1324

Sec. 3905.08. (A) The superintendent of insurance shall waive 1325  
all requirements under this chapter for a nonresident insurance 1326  
producer license, except the requirements set forth in sections 1327  
3905.07 to 3905.072 of the Revised Code, for every applicant that 1328  
is currently licensed as a resident producer and is in good 1329  
standing in the applicant's home state, if the applicant's home 1330  
state awards nonresident producer licenses to residents of this 1331  
state on the same basis. 1332

(B) A nonresident insurance producer's satisfaction of the 1333  
continuing education requirements for insurance producers of the 1334  
producer's home state shall constitute satisfaction of the 1335  
continuing education requirements for insurance producers of this 1336  
state. 1337

Sec. 3905.09. (A) The superintendent of insurance may issue a 1338  
temporary insurance producer license to any of the following 1339  
persons, if the superintendent determines that the license is 1340  
necessary for the servicing of insurance business: 1341

(1) The surviving spouse or court-appointed personal 1342  
representative of a licensed insurance producer who dies or 1343  
becomes mentally or physically disabled, to allow adequate time 1344

for the sale of the insurance business owned by the producer or 1345  
for the recovery or return of the producer to the business, or to 1346  
provide for the training and licensing of new personnel to operate 1347  
the producer's business; 1348

(2) A member or employee of a business entity licensed as an 1349  
insurance producer, upon the death or disability of the sole or 1350  
remaining licensed insurance producer; 1351

(3) The designee of a licensed insurance producer entering 1352  
active service in the United States armed forces; 1353

(4) Any other person if the superintendent determines that 1354  
the public interest will best be served by the issuance of the 1355  
license. 1356

(B) A temporary license issued under division (A) of this 1357  
section shall remain in force for a period not to exceed one 1358  
hundred eighty days. However, a temporary license may not continue 1359  
in force under any of the circumstances described in division (A) 1360  
of this section after the owner of the business or the owner's 1361  
personal representative disposes of the business. 1362

(C) The superintendent may, by order, limit the authority of 1363  
any temporary license in any way deemed necessary to protect 1364  
insureds and the public. The superintendent may also, by order, 1365  
rescind a temporary license if the interests of insureds or the 1366  
public are endangered. 1367

(D) A temporary licensee shall be sponsored by a licensed 1368  
insurance producer or insurer, which sponsor shall be responsible 1369  
for all acts of the licensee. The superintendent may impose any 1370  
other requirement on temporary licensees that the superintendent 1371  
considers necessary to protect insureds and the public. 1372

(E) An applicant for a temporary license shall not be 1373  
required to pass an examination. 1374

(F) Chapter 119. of the Revised Code shall not apply to the 1375

issuance, restriction, or rescission of a temporary license under 1376  
this section. 1377

Sec. 3905.10. An insurance producer that intends to do 1378  
business in this state under any name other than the producer's 1379  
legal name shall notify the superintendent of insurance prior to 1380  
using the assumed name. 1381

Sec. 3905.12. (A) The superintendent of insurance may adopt 1382  
rules in accordance with Chapter 119. of the Revised Code to do 1383  
the following: 1384

(1) Establish procedures for the issuance and renewal of 1385  
insurance producer licenses; 1386

(2) Provide for the issuance of limited authority licenses, 1387  
and establish any prelicensing education, examination, or 1388  
continuing education requirements the superintendent considers 1389  
appropriate for such a license. 1390

(B) To assist the superintendent in carrying out the 1391  
superintendent's duties under this chapter, the superintendent may 1392  
contract with any nongovernmental entity, including the NAIC and 1393  
its affiliates or subsidiaries, to perform any ministerial 1394  
function related to insurance producer licensing, including the 1395  
collection of fees, that the superintendent and the entity 1396  
consider appropriate. 1397

~~Sec. 3905.49~~ 3905.14. (A) As used in this section sections 1398  
3905.14 to 3905.16 of the Revised Code: 1399

~~(1) "Insurer" has the same meaning as in section 3901.32 of~~ 1400  
~~the Revised Code~~ Insurance producer" includes a limited lines 1401  
insurance producer, surety bail bond producer, and surplus line 1402  
broker. 1403

(2) "Refusal to issue or renew" means the decision of the 1404  
superintendent of insurance not to process either the initial 1405

application for a license as an ~~agent~~ insurance producer or the  
renewal of such a license. 1406  
1407

(3) "Revocation" means the permanent termination of all 1408  
authority to hold any license as an ~~agent~~ insurance producer in 1409  
this state. 1410

(4) "Surrender for cause" means the voluntary termination of 1411  
all authority to hold any license as an ~~agent~~ insurance producer 1412  
in this state, in lieu of a revocation or suspension order. 1413

(5) "Suspension" means the termination of all authority to 1414  
hold any license as an ~~agent~~ insurance producer in this state, for 1415  
either a specified period of time or an indefinite period of time 1416  
and under any terms or conditions determined by the 1417  
superintendent. 1418

(B) The superintendent may suspend, revoke, or refuse to 1419  
issue or renew any license as an ~~agent, surety bail bond agent,~~ 1420  
~~surplus line broker, or limited insurance representative producer,~~ 1421  
assess a civil penalty, or impose any other sanction or sanctions 1422  
authorized under this chapter, for one or more of the following 1423  
reasons: 1424

(1) ~~Obtaining or attempting to obtain any license or~~ 1425  
~~appointment through misrepresentation~~ Providing incorrect, 1426  
misleading, incomplete, or fraud, including making any materially 1427  
untrue statement information in an application for a license or 1428  
appointment application; 1429

(2) Violating or failing to comply with any insurance law, 1430  
rule, subpoena, consent agreement, or order of the superintendent 1431  
or of the insurance authority of another state; 1432

(3) ~~Misappropriating~~ Obtaining or attempting to obtain a 1433  
license through misrepresentation or fraud; 1434

(4) Improperly withholding, misappropriating, or converting 1435

~~to the person's own use any moneys belonging to policyholders, 1436  
prospective policyholders, beneficiaries, insurance companies, 1437  
sureties, principals, money or others property received in the 1438  
course of the person's doing insurance business; 1439~~

~~(4) Failing to timely submit an application for insurance. 1440  
For purposes of division (B)(4) of this section, a submission is 1441  
considered timely if it occurs within the time period expressly 1442  
provided for by the insurer, or within seven days after the agent 1443  
accepts a premium or an order to bind from a policyholder or 1444  
applicant, whichever is later. 1445~~

~~(5) Knowingly Intentionally misrepresenting the terms, 1446  
benefits, value, cost, or effective dates of any actual or 1447  
proposed insurance policy, contract, or bond application for 1448  
insurance; 1449~~

~~(6) Being Having been convicted of a felony; 1450~~

~~(7) Being convicted of a misdemeanor that involves the misuse 1451  
or theft of money or property belonging to another, fraud, 1452  
forgery, dishonest acts, or breach of a fiduciary duty, or that is 1453  
based on any act or omission relating to the business of 1454  
insurance, securities, or financial services; 1455~~

~~(8) Committing an Having admitted to committing, or having 1456  
been found to have committed, any insurance unfair trade act or 1457  
practice under any section of Title XXXIX of the Revised Code or 1458  
any rule adopted thereunder insurance fraud; 1459~~

~~(8) Using fraudulent, coercive, or dishonest practices, or 1460  
demonstrating incompetence, untrustworthiness, or financial 1461  
irresponsibility, in the conduct of business in this state or 1462  
elsewhere; 1463~~

~~(9) Having an insurance producer license, or its equivalent, 1464  
denied, suspended, or revoked in any other state, province, 1465  
district, or territory; 1466~~



- (10) ~~Forging or causing the forgery of another's name to an application for insurance or to any document related to or used in an insurance transaction;~~ 1467  
1468  
1469
- (11) ~~Possessing or 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 producer license;~~ 1470  
1471  
1472  
1473  
1474
- (12) Knowingly accepting insurance business from an individual who is not licensed; 1475  
1476
- (13) Failing to comply with an administrative or court order imposing a child support obligation; 1477  
1478
- (14) Failing to pay state income tax or to comply with any administrative or court order directing payment of state income tax; 1479  
1480  
1481
- (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 producer accepts a premium or an order to bind coverage from a policyholder or applicant for insurance, whichever is later. 1482  
1483  
1484  
1485  
1486  
1487  
1488
- (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; 1489  
1490  
1491  
1492  
1493
- ~~(13)~~(17) Having any professional license suspended or revoked as a result of a mishandling of funds or breach of fiduciary responsibilities; 1494  
1495  
1496

<del>(14)</del> (18) Causing or permitting a policyholder or applicant for insurance to designate the <u>person insurance producer</u> or the <u>person's insurance producer's</u> spouse, parent, child, or sibling as the beneficiary of a policy or annuity sold by the <u>person insurance producer</u> , unless the <u>person insurer producer</u> or a relative of the <u>person insurance producer</u> is the insured or applicant;	1497 1498 1499 1500 1501 1502 1503
<del>(15)</del> (19) Failing to provide a written response to the department of insurance within <u>thirty fifteen calendar</u> days after receipt of any written inquiry from the department;	1504 1505 1506
<del>(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;</del>	1507 1508 1509
<del>(17)</del> (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;	1510 1511 1512 1513
<del>(18) Engaging in any fraudulent, dishonest, or coercive practice in connection with the business of insurance;</del>	1514 1515
<del>(19)</del> (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 <del>agent, general agent, surplus line broker, producer</del> or licensee known to be involved in procuring, placing, or continuing the insurance for the policyholder or applicant, upon the <u>taking of the application or the</u> binding of the coverage, <u>whichever is earlier</u> ;	1516 1517 1518 1519 1520 1521 1522
<del>(20)</del> (22) In the case of an <u>agent insurance producer</u> that is a <u>corporation, limited liability company, or partnership business entity</u> , 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	1523 1524 1525 1526 1527

members of the corporation, ~~limited liability company, or~~ 1528  
~~partnership~~ business entity; 1529

~~(21)~~(23) Submitting or using a document in the conduct of the 1530  
business of insurance when the person knew or should have known 1531  
that the document contained the forged signature of another 1532  
person; 1533

~~(22)~~(24) Misrepresenting the person's qualifications or using 1534  
in any way a professional designation that has not been conferred 1535  
upon the person by the appropriate accrediting organization; 1536  
1537

~~(23)~~ Obtaining a premium loan or causing a premium loan to be 1538  
made to or in the name of an insured without that person's 1539  
knowledge and written authorization; 1540

~~(24)~~ Failing to notify the superintendent of any disciplinary 1541  
action taken by the insurance authority of another state, within 1542  
sixty days after the action was taken, as required by section 1543  
3905.54 of the Revised Code; 1544

(25) Failing to file any of the reports or notices required 1545  
under this chapter; 1546

~~(26)~~ Submitting an application for insurance, or causing the 1547  
issuance of an insurance policy or contract, on behalf of an 1548  
applicant who did not request or authorize the insurance. Division 1549  
~~(B)(26)~~ of this section does not apply to any policy issued by an 1550  
other than life insurance company. 1551

~~(27)~~ Using paper, software, or any other materials of or 1552  
provided by an insurer after the insurer has terminated the 1553  
authority of the licensee, if the use of such materials would 1554  
cause a reasonable person to believe that the licensee was acting 1555  
on behalf of or otherwise representing the insurer; 1556

~~(28)~~ Providing misleading, deceptive, or untrue information 1557  
to an applicant for insurance or a policyholder regarding a 1558

~~particular insurance agent, company, or product;~~ 1559

~~(29)~~(26) Soliciting, procuring an application for, or 1560  
placing, either directly or indirectly, any insurance policy when 1561  
the person is not authorized under this chapter to engage in such 1562  
activity; 1563

~~(30)~~(27) Soliciting, marketing, or selling any product or 1564  
service that offers benefits similar to insurance but is not 1565  
regulated by the superintendent, without fully disclosing to the 1566  
prospective purchaser that the product or service is not insurance 1567  
and is not regulated by the superintendent; 1568

~~(31)~~(28) Failing to fulfill a refund obligation in a timely 1569  
manner. For purposes of division (B)~~(31)~~(28) of this section, a 1570  
rebuttable presumption exists that a refund obligation is not 1571  
fulfilled in a timely manner unless it is fulfilled within one of 1572  
the following time periods: 1573

(a) Thirty days after the date the policyholder, applicant, 1574  
or insurer takes or requests action resulting in a refund; 1575

(b) Thirty days after the date of the insurer's refund check, 1576  
if the ~~agent~~ insurance producer is expected to issue a portion of 1577  
the total refund; 1578

(c) Forty-five days after the date of the ~~agent's~~ insurance 1579  
producer's statement of account on which the refund first appears. 1580

~~(32)~~(29) With respect to a surety bail bond ~~agent~~ producer 1581  
license, rebating or offering to rebate, or unlawfully dividing or 1582  
offering to divide, any commission; 1583

(30) Using a license for the principal purpose of procuring, 1584  
receiving, or forwarding applications for insurance of any kind, 1585  
other than life, or soliciting, placing, or effecting such 1586  
insurance directly or indirectly upon or in connection with the 1587  
property of the licensee or that of relatives, employers, 1588

employees, or that for which they or the licensee is an agent, 1589  
custodian, vendor, bailee, trustee, or payee; 1590

(31) In the case of an insurance producer that is a business 1591  
entity, using a life license for the principal purpose of 1592  
soliciting or placing insurance on the lives of the business 1593  
entity's officers, employees, or shareholders, or on the lives of 1594  
relatives of such officers, employees, or shareholders, or on the 1595  
lives of persons for whom they, their relatives, or the business 1596  
entity is agent, custodian, vendor, bailee, trustee, or payee; 1597

(32) Offering within this state, in person or by 1598  
advertisement, poster, letter, circular, or otherwise, to sell, 1599  
procure, or obtain policies, contracts, agreements, or 1600  
applications for life insurance or annuities providing fixed, 1601  
variable, or fixed and variable benefits, or contractual payments, 1602  
or any form of sickness and accident insurance, for or on behalf 1603  
of any life insurance corporation, association, or organization, 1604  
or mutual protective or mutual benefit association or 1605  
organization, not authorized to transact business in this state, 1606  
or for or on behalf of any spurious, fictitious, nonexistent, 1607  
dissolved, inactive, liquidated or liquidating, or bankrupt life 1608  
insurance corporation, association, or organization, or mutual 1609  
protective or mutual benefit association or organization. 1610

(C) Before denying, revoking, suspending, or refusing to 1611  
issue any license or imposing any penalty under this section ~~or~~ 1612  
~~section 3905.482 of the Revised Code~~, the superintendent shall 1613  
provide the licensee or applicant with notice and an opportunity 1614  
for hearing as provided in Chapter 119. of the Revised Code, 1615  
except as follows: 1616

(1)(a) Any notice of opportunity for hearing, the hearing 1617  
officer's findings and recommendations, or the superintendent's 1618  
order shall be served by certified mail at the last known address 1619  
of the licensee or applicant. Service shall be evidenced by return 1620

receipt signed by any person.

1621

For purposes of this section, the "last known address" is the residential address that appears in the licensing records of the department of ~~insurance~~.

1622

1623

1624

(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 provided 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.

1625

1626

1627

1628

1629

1630

1631

1632

1633

1634

1635

(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.

1636

1637

1638

1639

1640

1641

(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.

1642

1643

1644

1645

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

1646

1647

1648

(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

1649

1650

1651

attorney. 1652

(2) Any subpoena for the appearance of a witness or the 1653  
production of documents or other evidence at a hearing, or for the 1654  
purpose of taking testimony for use at a hearing, shall be served 1655  
by certified mail, return receipt requested, by an attorney or by 1656  
an employee of the department designated by the superintendent. 1657  
Such subpoenas shall be enforced in the manner provided in section 1658  
119.09 of the Revised Code. Nothing in this section shall be 1659  
construed as limiting the superintendent's other statutory powers 1660  
to issue subpoenas. 1661

(D) If the superintendent determines that a violation 1662  
described in this section has occurred, the superintendent may ~~do~~ 1663  
any take one or more of the following actions: 1664

(1) Assess a civil ~~forfeiture~~ penalty in an amount not 1665  
exceeding twenty-five thousand dollars per violation; 1666

(2) Assess administrative costs to cover the expenses 1667  
incurred by the department in the administrative action, including 1668  
costs incurred in the investigation and hearing processes. Any 1669  
costs collected shall be paid into the state treasury to the 1670  
credit of the department of insurance operating fund created in 1671  
section 3901.021 of the Revised Code. 1672

(3) Suspend all of the person's licenses for all lines of 1673  
insurance for either a specified period of time or an indefinite 1674  
period of time and under such terms and conditions as the 1675  
superintendent may determine; 1676

(4) Permanently revoke all of the person's licenses for all 1677  
lines of insurance; 1678

(5) Refuse to issue a license; 1679

(6) Refuse to renew a license; 1680

(7) Prohibit the person from being employed in any capacity 1681

in the business of insurance and from having any financial 1682  
interest in any insurance agency, company, surety bail bond 1683  
business, or third-party administrator in this state. The 1684  
superintendent may, in the superintendent's discretion, determine 1685  
the nature, conditions, and duration of such restrictions. 1686

(8) Order corrective actions in lieu of or in addition to the 1687  
other penalties listed in division (D) of this section. Such an 1688  
order may provide for the suspension of civil ~~forfeitures~~ 1689  
penalties, license revocation, license suspension, or refusal to 1690  
issue or renew a license if the licensee complies with the terms 1691  
and conditions of the corrective action order. 1692

(9) Accept a surrender for cause offered by the licensee, 1693  
which shall be for at least five years and shall prohibit the 1694  
licensee from seeking any license authorized under this chapter 1695  
during that time period. A surrender for cause shall be in lieu of 1696  
revocation or suspension and may ~~also~~ include a corrective action 1697  
order as provided in division (D)(8) of this section. 1698

(E) The superintendent may consider the following factors in 1699  
denying a license, imposing suspensions, revocations, fines, or 1700  
other penalties, and issuing orders under this section: 1701

(1) Whether the person acted in good faith; 1702

(2) Whether the person made restitution for any pecuniary 1703  
losses suffered by other persons as a result of the person's 1704  
actions; 1705

(3) The actual harm or potential for harm to others; 1706

(4) The degree of trust placed in the person by, and the 1707  
vulnerability of, persons who were or could have been adversely 1708  
affected by the person's actions; 1709

(5) Whether the person was the subject of any previous 1710  
administrative actions by the superintendent; 1711



(6) The number of individuals adversely affected by the person's acts or omissions;	1712 1713
(7) Whether the person voluntarily reported the violation, and the extent of the person's cooperation and acceptance of responsibility;	1714 1715 1716
(8) Whether the person obstructed or impeded, or attempted to obstruct or impede, the superintendent's investigation;	1717 1718
(9) The person's efforts to conceal the misconduct;	1719
(10) Remedial efforts to prevent future violations;	1720
(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;	1721 1722 1723 1724 1725 1726
(12) Such other factors as the superintendent determines to be appropriate under the circumstances.	1727 1728
(F)(1) A violation described in division (B)(1), (2), (3), <del>(4)</del> , (5), (6), (7), (8), (9), (10), (11), (12), (13), (14), <del>(16)</del> , (17), (18), <del>(19)</del> , (20), (21), (22), (23), <del>(24)</del> , (25), (26), (27), (28), (29), (30), (31), or (32) of this section is a class A offense for which the superintendent may impose any penalty set forth in division (D) of this section.	1729 1730 1731 1732 1733 1734
(2) A violation described in division (B) <del>(4)</del> , (15), <del>(16)</del> , or <del>(24)</del> <u>(19)</u> of this section, <u>a failure to comply with any rule adopted by the superintendent under division (A) of section 3905.12 of the Revised Code, or a failure to comply with section 3905.22 of the Revised Code,</u> 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.	1735 1736 1737 1738 1739 1740 1741

(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 1774  
division, impose any of the following: 1775

(1) For each violation, a civil penalty of not more than 1776  
twenty-five thousand dollars; 1777

(2) Injunctive relief; 1778

(3) Restitution; 1779

(4) Any other appropriate relief. 1780

(I) With respect to a surety bail bond ~~agent~~ producer 1781  
license: 1782

(1) Upon the suspension or revocation of a license, or the 1783  
eligibility of a surety bail bond ~~agent~~ producer to hold a 1784  
license, the superintendent likewise may suspend or revoke the 1785  
license or eligibility of any surety bail bond ~~agent~~ producer who 1786  
is employed by or associated with that ~~agent~~ producer and who 1787  
knowingly was a party to the act that resulted in the suspension 1788  
or revocation. 1789

(2) The superintendent may revoke a license as a surety bail 1790  
bond ~~agent~~ producer if the licensee is adjudged bankrupt. 1791

~~(J) This section applies to both resident and nonresident 1792  
agents who are licensed under this chapter. 1793~~

~~(K) Nothing in this section shall be construed to create or 1794  
imply a private cause of action against an ~~agent, solicitor,~~ 1795  
insurance producer or insurer. 1796~~

**Sec. ~~3905.491~~ 3905.15.** (A) Upon written application of a 1797  
person whose license was denied, suspended, revoked, or 1798  
surrendered for cause under section ~~3905.49~~ 3905.14 of the Revised 1799  
Code, the superintendent of insurance shall hold a hearing to 1800  
determine whether the administrative action imposing ~~such the~~ 1801  
denial, suspension, revocation, or surrender should be modified, 1802

provided that all of the following conditions are met: 1803

(1) At least five years have elapsed since the date of the 1804  
administrative action sought to be modified; 1805

(2) At least two years have elapsed since any previous 1806  
request for a modification was made under this section; 1807

(3) The burden of proof is on the person requesting the 1808  
modification. 1809

(B) The modification of an order issued or consent agreement 1810  
entered into under section ~~3905.49~~ 3905.14 of the Revised Code is 1811  
at the discretion of the superintendent. The superintendent may 1812  
modify such an order or agreement if the superintendent finds all 1813  
of the following: 1814

(1) At least five years have elapsed since the date of the 1815  
administrative action; 1816

(2) The person is of good business repute and is suitable to 1817  
be an insurance ~~agent~~ producer; 1818

(3) The person has made restitution for all pecuniary losses 1819  
suffered by any person as a result of the conduct that gave rise 1820  
to the administrative action; 1821

(4) The person has not been convicted of any felony ~~or of any~~ 1822  
~~misdemeanor described in division (B)(7) of section 3905.49 of the~~ 1823  
~~Revised Code~~ unless the conviction was the subject of a previous 1824  
administrative action by the superintendent; 1825

(5) The circumstances surrounding the previous violation are 1826  
such that it is unlikely the person would commit such offenses in 1827  
the future; 1828

(6) The person's character has been rehabilitated. 1829

(C) The issuance of any license pursuant to a modification 1830  
under this section shall be conditioned upon the successful 1831  
completion of all prelicensing education and examination 1832

requirements.

1833

~~Sec. 3905.012~~ **3905.16.** (A)(1) Except as provided in division  
(A)(2) of this section, any person licensed as an agent insurance  
producer or surplus lines broker 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.

1834

1835

1836

1837

1838

1839

(2) No agent insurance producer shall surrender the ~~agent's  
insurance producer's~~ licenses if the superintendent of insurance  
is investigating any allegation of wrongdoing by the ~~agent  
insurance producer~~ 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 insurance producer, and any attempt to so  
surrender is invalid.

1840

1841

1842

1843

1844

1845

1846

~~(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.~~

1847

1848

1849

1850

1851

1852

~~(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.~~

1853

1854

1855

1856

~~(C)~~ If an agent's insurance producer's license is  
surrendered, revoked, or suspended, all appointments held by the  
agent insurance producer 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.

1857

1858

1859

1860

1861

1862

~~(D)~~(C)(1) Any ~~agent insurance producer~~, other than a 1863  
corporation, partnership, or limited liability company ~~business~~ 1864  
entity, who is no longer engaged in the business of insurance in 1865  
any capacity for which an ~~agent's insurance producer's~~ license is 1866  
required may apply to the superintendent for inactive status. The 1867  
superintendent may grant such status only if the superintendent is 1868  
satisfied that the person is not engaged in and does not intend to 1869  
engage in any of the activities set forth in section ~~3905.01~~ 1870  
3905.02 of the Revised Code that requires an ~~agent's insurance~~ 1871  
producer's license. 1872

(2) A person who has been granted inactive status is exempt 1873  
from any continuing education requirements imposed under this 1874  
chapter. 1875

(3) The superintendent may adopt rules in accordance with 1876  
Chapter 119. of the Revised Code to establish procedures for 1877  
applying for inactive status, criteria used to determine 1878  
eligibility for such status, and standards and procedures for 1879  
transferring from inactive to active status. 1880

~~(E)~~(D) The superintendent may suspend or revoke a license, or 1881  
take any other disciplinary action authorized by this chapter, 1882  
regardless of whether the person is appointed or otherwise 1883  
authorized to represent an insurer ~~or agent~~. 1884

**Sec. 3905.18.** (A) Neither an insurer nor an insurance 1885  
producer shall pay a commission, service fee, brokerage fee, or 1886  
other type of consideration to a person for selling, soliciting, 1887  
or negotiating insurance in this state, if the person is required 1888  
to be licensed by the superintendent of insurance under this 1889  
chapter but is not so licensed. However, renewal or other deferred 1890  
commissions may be paid to such a person for selling, soliciting, 1891  
or negotiating insurance in this state if the person was required 1892  
to be licensed under this chapter at the time of the sale, 1893  
solicitation, or negotiation and was so licensed at that time. 1894

1895  
(B) An insurer shall not pay a commission, service fee, 1896  
brokerage fee, or other type of consideration to an insurance 1897  
producer for selling, soliciting, or negotiating insurance in this 1898  
state, if the insurance producer is required to be appointed by 1899  
the insurer but is not so appointed. 1900

(C) An insurer or insurance producer may pay or assign a 1901  
commission, service fee, brokerage fee, or other type of 1902  
consideration to an insurance agency or to any person who does not 1903  
sell, solicit, or negotiate insurance in this state, unless the 1904  
payment or assignment is prohibited by section 3911.20, 3933.01, 1905  
or 3999.22 of the Revised Code. 1906

Sec. 3905.181. A person shall not accept a commission, 1907  
service fee, brokerage fee, or other type of consideration for 1908  
selling, soliciting, or negotiating insurance in this state if 1909  
that person is required to be licensed under this chapter and is 1910  
not so licensed. 1911

Sec. ~~3905.181~~ 3905.182. No person licensed to sell life 1912  
insurance under section ~~3905.18~~ 3905.06 of the Revised Code, 1913  
although also licensed to sell securities under section 1707.32 of 1914  
the Revised Code, shall sell, or receive any compensation in 1915  
regard to the sale of, any shares of capital stock of any life 1916  
insurance company for which ~~he~~ the person is licensed to sell life 1917  
insurance, or of any issuer ~~which~~ that owns or controls more than 1918  
one fourth of the shares of any of such companies, or any rights 1919  
or options to acquire any of such shares. This section does not 1920  
prohibit the sale of shares of any investment company registered 1921  
under the "Investment Company Act of 1940," 54 Stat. 789, 15 1922  
U.S.C.A. 80a-1, as amended, or any policies, annuities, or other 1923  
contracts described in section 3907.15 of the Revised Code. 1924

Sec. 3905.20. (A) An insurance producer shall not act as an 1925

agent of an insurer unless the insurance producer is appointed as 1926  
an agent of the insurer. An insurance producer who does not act as 1927  
an agent of an insurer shall not be required to be appointed as an 1928  
agent of the insurer. 1929

For purposes of this division, an insurance producer acts as 1930  
an agent of an insurer when the insurance producer sells, 1931  
solicits, or negotiates any product of the insurer or is 1932  
compensated directly by the insurer. 1933

(B)(1) To appoint an insurance producer as its agent, an 1934  
insurer shall file a notice of appointment with the superintendent 1935  
of insurance no later than thirty days after the date the agency 1936  
contract is executed or the first insurance application is 1937  
submitted, whichever is earlier. The notice of appointment shall 1938  
be provided in the manner prescribed by the superintendent. 1939

Each insurer shall pay to the superintendent a fee of twenty 1940  
dollars for every such appointment when issued and for each 1941  
continuance thereafter. Such an appointment, unless canceled by 1942  
the insurer, may be continued in force past the thirtieth day of 1943  
June next after its issue and after the thirtieth day of June of 1944  
each succeeding year. 1945

(2) By appointing an insurance producer, an insurer certifies 1946  
to the superintendent that the person is competent, financially 1947  
responsible, and suitable to represent the insurer. 1948

(3) While an appointment remains in force, an insurer shall 1949  
be bound by the acts of the person named in the appointment within 1950  
that person's actual and apparent authority as its agent. 1951

(C)(1) Each insurer that sells, solicits, or negotiates any 1952  
form of limited line credit insurance shall provide a program of 1953  
instruction to each insurance producer whose duties will include 1954  
selling, soliciting, or negotiating limited line credit insurance. 1955  
The program of instruction shall be provided to the insurance 1956



producer prior to the producer's appointment by the insurer. 1957

(2) The superintendent may require prior review and approval 1958  
of any program of instruction provided under division (C)(1) of 1959  
this section. 1960

(D) The superintendent may, in accordance with Chapter 119. 1961  
of the Revised Code, adopt rules to establish appointment 1962  
procedures, including cancellations and renewals, to clarify the 1963  
circumstances that require an appointment, and to provide for the 1964  
appointment of insurance producers to some or all of the insurers 1965  
within an insurer's holding company system or group. 1966

**Sec. 3905.21.** (A) An insurer or authorized representative of 1967  
an insurer that terminates the appointment, employment, contract, 1968  
or other insurance business relationship with an insurance 1969  
producer shall notify the superintendent of insurance, in the 1970  
manner prescribed by the superintendent, within thirty days after 1971  
the effective date of the termination. The insurer shall provide 1972  
any additional information, documents, records, or other data 1973  
relating to the termination or activity of the insurance producer 1974  
that the superintendent requests in writing. 1975

(B) If the termination of an insurance producer is for any of 1976  
the reasons set forth in division (B) of section 3905.14 of the 1977  
Revised Code, the insurer or authorized representative of the 1978  
insurer shall promptly notify the superintendent, in the manner 1979  
prescribed by the superintendent, of any additional information 1980  
the insurer discovers upon further review or investigation, which 1981  
information would have been provided to the superintendent in 1982  
accordance with division (A) of this section had the insurer known 1983  
of its existence. 1984

(C)(1) An insurer, within fifteen days after notifying the 1985  
superintendent in accordance with division (A) or (B) of this 1986  
section, shall mail a copy of the notification to the insurance 1987  
producer at the producer's last known address. If the insurance 1988

producer was terminated for any of the reasons set forth in 1989  
division (B) of section 3905.14 of the Revised Code, the 1990  
notification shall be sent by certified mail, return receipt 1991  
requested, postage prepaid or by overnight delivery using a 1992  
nationally recognized carrier. 1993

(2) An insurance producer, within thirty days after receiving 1994  
a copy of a notification pursuant to division (C)(1) of this 1995  
section, may file written comments concerning the substance of the 1996  
notification with the superintendent. If an insurance producer 1997  
files such comments with the superintendent, the producer shall, 1998  
at the same time, provide a copy of the comments to the insurer. 1999  
Comments filed with the superintendent shall become part of the 2000  
superintendent's file on the insurance producer and shall 2001  
accompany every copy of any report distributed or disclosed for 2002  
any reason about the producer. 2003

**Sec. 3905.211.** (A) In the absence of actual malice, an 2004  
insurer, the authorized representative of an insurer, an insurance 2005  
producer, the superintendent of insurance, or any organization of 2006  
which the superintendent is a member, which organization compiles 2007  
the information provided pursuant to section 3905.21 of the 2008  
Revised Code and makes it available to other insurance 2009  
commissioners or to regulatory or law enforcement agencies, is 2010  
immune from any civil liability that otherwise might be incurred 2011  
or imposed as a result of either of the following: 2012

(1) Any statement required by section 3905.21 of the Revised 2013  
Code or any information relating to any such statement, which 2014  
information may be requested in writing by the superintendent; 2015  
2016

(2) Any statement of an insurer that has terminated an 2017  
insurance producer to an insurer or producer, or any statement of 2018  
an insurance producer to an insurer or producer, which statement 2019  
is limited solely to whether a termination for any of the reasons 2020

set forth in division (B) of section 3905.14 of the Revised Code 2021  
was reported to the superintendent, provided the propriety of any 2022  
such termination is certified in writing by an officer or 2023  
authorized representative of the insurer or producer terminating 2024  
the relationship. 2025

(B) In any action brought against a person that may have 2026  
immunity under division (A) of this section for making any 2027  
statement required by section 3905.21 of the Revised Code or 2028  
providing any information relating to any such statement, which 2029  
information may have been requested in writing by the 2030  
superintendent, the party bringing the action shall plead 2031  
specifically in any allegation that division (A) of this section 2032  
does not apply because the person making the statement or 2033  
providing the information did so with malice. 2034

(C) Nothing in this section shall abrogate or modify any 2035  
statutory or common law privilege or immunity that otherwise 2036  
applies. 2037

**Sec. 3905.212.** The superintendent of insurance may, in 2038  
accordance with Chapter 119. of the Revised Code, suspend or 2039  
revoke the certificate of authority or license of any person that 2040  
fails to comply with section 3905.21 of the Revised Code or that 2041  
has been found by a court of competent jurisdiction to have made 2042  
the statements or provided the information required under that 2043  
section with actual malice. Any such person is also subject to the 2044  
civil penalty authorized under section 3905.14 of the Revised 2045  
Code. 2046

**Sec. 3905.22.** (A) An insurance producer shall provide notice 2047  
to the superintendent of insurance of any administrative action 2048  
taken against the producer in another jurisdiction or by another 2049  
governmental agency of this state within thirty days after the 2050  
final disposition of the matter. The notice shall include a copy 2051  
of the order, consent to order, or any other relevant legal 2052

document. 2053

(B) An insurance producer shall provide notice to the 2054  
superintendent of any criminal prosecution of the producer by any 2055  
jurisdiction within thirty days after the initial pretrial hearing 2056  
date. The notice shall include a copy of the initial complaint 2057  
that was filed, the order that resulted from the hearing, and any 2058  
other relevant legal document. 2059

Sec. 3905.24. (A) All documents, materials, and other 2060  
information in the control or possession of the department of 2061  
insurance that is furnished by an insurer, insurance producer, or 2062  
employee or agent of an insurer or producer acting on behalf of 2063  
the insurer or producer, or that is obtained by the superintendent 2064  
of insurance in an investigation conducted under section 3905.21 2065  
of the Revised Code, are confidential and privileged and are not 2066  
public records as defined in section 149.43 of the Revised Code. 2067  
Such information shall not be subject to subpoena or discovery and 2068  
shall not be admissible in evidence in any private civil action. 2069  
However, the superintendent may use the information in the 2070  
furtherance of any regulatory or legal action brought as part of 2071  
the superintendent's duties. 2072

(B) In order to assist in the performance of the 2073  
superintendent's duties under this chapter, the superintendent may 2074  
do any of the following: 2075

(1) Share documents, materials, or other information, 2076  
including information considered confidential and privileged under 2077  
division (A) of this section, with other state, federal, and 2078  
international regulatory agencies, with the NAIC and its 2079  
affiliates or subsidiaries, and with state, federal, and 2080  
international law enforcement authorities, provided the recipient 2081  
agrees to maintain the confidentiality and privileged status of 2082  
the document, material, or other information; 2083

(2) Receive documents, materials, or other information, 2084

including otherwise confidential and privileged information, from 2085  
the NAIC and its affiliates or subsidiaries or from regulatory and 2086  
law enforcement officials of other domestic or foreign 2087  
jurisdictions, provided the superintendent maintains as 2088  
confidential and privileged any document, material, or other 2089  
information that is received with notice or the understanding that 2090  
the information is confidential and privileged under the laws of 2091  
the jurisdiction from which the information originated; 2092

(3) Enter into any agreement governing the sharing and use of 2093  
information that is consistent with this section. 2094

(C) Neither the superintendent nor any person who receives 2095  
documents, materials, or other information while acting under the 2096  
authority of the superintendent, shall be permitted or required to 2097  
testify in any private civil action concerning any documents, 2098  
materials, or other information considered confidential under 2099  
division (A) of this section. 2100

(D) No waiver of any applicable privilege or claim of 2101  
confidentiality in any documents, materials, or other information 2102  
shall occur as a result of disclosure to the superintendent under 2103  
section 3905.21 of the Revised Code or as a result of sharing of 2104  
the information as authorized under division (B) of this section. 2105

(E) Nothing in this chapter prohibits the superintendent from 2106  
releasing final, adjudicated actions open to public inspection 2107  
pursuant to section 149.43 of the Revised Code, including 2108  
terminations of insurance producers for any of the reasons set 2109  
forth in division (B) of section 3905.14 of the Revised Code, to 2110  
any database or other clearinghouse service maintained by the NAIC 2111  
or any of its affiliates or subsidiaries. 2112

**Sec. 3905.26.** (A) The superintendent of insurance may 2113  
participate, in whole or in part, with the NAIC or any of its 2114  
affiliates or subsidiaries, in a centralized producer license 2115  
registry in which insurance producer licenses and appointments are 2116

centrally or simultaneously effected for all states that require 2117  
an insurance producer license and that participate in the 2118  
registry. 2119

(B) The superintendent may adopt rules in accordance with 2120  
Chapter 119. of the Revised Code to adopt any uniform standard or 2121  
procedure necessary for participation in the centralized producer 2122  
license registry. Such rules may provide for the central 2123  
collection of all fees for licenses or appointments processed 2124  
through the registry. 2125

**Sec. 3905.28.** The superintendent of insurance may adopt rules 2126  
in accordance with Chapter 119. of the Revised Code to carry out 2127  
the purposes of sections 3905.01 to 3905.28 of the Revised Code. 2128  
2129

**Sec. 3905.30.** The superintendent of insurance may issue a 2130  
surplus line broker's license to any natural person who is a 2131  
resident of this or any other state or a province of Canada, or to 2132  
any corporation, partnership, or limited liability company a 2133  
business entity that is organized under the laws of this or any 2134  
other state or a province of Canada. The applicant must have been 2135  
licensed as a multiple line agent To be eligible for at least two 2136  
years prior to making application for the a surplus line broker's 2137  
license, a person must have both a property license and a casualty 2138  
license. A surplus line broker's license permits the person named 2139  
in the license to negotiate for and obtain insurance, other than 2140  
life insurance, on property or persons in this state in insurers 2141  
not authorized to transact business in this state. Each such 2142  
license expires on the thirty-first day of January next after the 2143  
year in which it is issued, and may be then renewed. 2144

**Sec. 3905.31.** No person not licensed under section 3905.30 of 2145  
the Revised Code shall take or receive any application for such 2146

insurance upon property or persons in this state, or receive or 2147  
collect a premium or any part thereof for any unauthorized 2148  
insurance company, or attempt or assist in any such act, or 2149  
perform any act in this state concerning any policy or contract of 2150  
insurance of any unauthorized insurance company provided that any 2151  
duly licensed full multiple line agent may place business with an 2152  
agent licensed under section 3905.30 of the Revised Code and may 2153  
accept compensation therefor, if such insurance is written in 2154  
conformity with the insurance laws of this state. This section 2155  
does not apply to those engaged in the act of adjusting claims or 2156  
losses in connection with any policy of insurance written under 2157  
the provisions of sections 3905.30 to ~~3905.35, inclusive,~~ 3905.34 2158  
of the Revised Code. 2159

**Sec. 3905.36.** Every insured association, company, 2160  
corporation, or other person that enters, directly or indirectly, 2161  
into any agreements with any insurance company, association, 2162  
individual, firm, underwriter, or Lloyd, not authorized to do 2163  
business in this state, whereby the insured shall procure, 2164  
continue, or renew contracts of insurance covering subjects of 2165  
insurance resident, located, or to be performed within this state, 2166  
with such unauthorized insurance company, association, individual, 2167  
firm, underwriter, or Lloyd, for which insurance there is a 2168  
premium, membership fee, assessment, dues, or other consideration 2169  
charged or collected, shall annually, on or before the first day 2170  
of July, return to the superintendent of insurance a statement 2171  
under oath showing the name and address of the insured, name and 2172  
address of the insurer, subject of the insurance, general 2173  
description of the coverage, and amount of premium, fee, 2174  
assessment, dues, or other consideration for such insurance for 2175  
the preceding twelve-month period and shall at the same time pay 2176  
to the treasurer of state a tax of five per cent of such premium, 2177  
fee, assessment, dues, or other consideration, as calculated on a 2178

form prescribed by the treasurer of state. All taxes collected 2179  
under this section by the treasurer of state shall be paid into 2180  
the general revenue fund. If the tax is not paid when due, the tax 2181  
shall be increased by a penalty of twenty-five per cent. An 2182  
interest charge computed as set forth in section 5725.221 of the 2183  
Revised Code shall be made on the entire sum of the tax plus 2184  
penalty, which interest shall be computed from the date the tax is 2185  
due until it is paid. For purposes of this section, payment is 2186  
considered made when it is received by the treasurer of state, 2187  
irrespective of any United States postal service marking or other 2188  
stamp or mark indicating the date on which the payment may have 2189  
been mailed. This section does not apply to: 2190

(A) Insurance obtained pursuant to sections 3905.30 to 2191  
~~3905.35~~ 3905.34 of the Revised Code; 2192

(B) Transactions in this state involving a policy solicited, 2193  
written, and delivered outside this state covering only subjects 2194  
of insurance not resident, located, or to be performed in this 2195  
state at the time of issuance, provided such transactions are 2196  
subsequent to the issuance of the policy; 2197

(C) Attorneys-at-law acting on behalf of their clients in the 2198  
adjustment of claims or losses; 2199

(D) Any insurance company underwriter issuing contracts of 2200  
insurance to employer insureds or contracts of insurance issued to 2201  
an employer insured. For purposes of this section an "employer 2202  
insured" is an insured: 2203

(1) Who procures the insurance of any risk or risks by use of 2204  
the services of a full-time employee acting as an insurance 2205  
manager or buyer or the services of a regularly and continuously 2206  
qualified insurance consultant. As used in division (D)(1) of this 2207  
section, a "regularly and continuously qualified insurance 2208  
consultant" does not include any person licensed under Chapter 2209  
3905. of the Revised Code. 2210



(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. 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 2240  
dollar for each additional certificate or copy; 2241

(6) For issuing certificates of compliance or certified 2242  
copies thereof, twenty dollars; 2243

(7) For affixing the seal of office and certifying documents, 2244  
other than those enumerated herein, two dollars. 2245

(B) Each life insurance company doing business in this state 2246  
shall pay for annual valuation of its policies, one cent on every 2247  
one thousand dollars of insurance. 2248

(C) Each foreign insurance company doing business in this 2249  
state shall pay for making and forwarding annually, semiannually, 2250  
and quarterly the interest checks and coupons accruing upon bonds 2251  
and securities deposited, fifty dollars each year on each one 2252  
hundred thousand dollars deposited. 2253

(D) Each ~~appointee or~~ applicant for licensure as an insurance 2254  
~~agent, solicitor, or life insurance agent~~ producer shall pay ten 2255  
dollars before admission to any examination required by the 2256  
superintendent ~~of insurance~~. Such fee shall not be paid by the 2257  
appointing insurance company ~~or agent~~. 2258

(E) Each domestic mutual life insurance company shall pay for 2259  
verifying that any amendment to its articles of incorporation was 2260  
regularly adopted, two hundred fifty dollars with each application 2261  
for verification. Any such amendment shall be considered to have 2262  
been regularly adopted when approved by the affirmative vote of 2263  
two-thirds of the policyholders present in person or by proxy at 2264  
any annual meeting of policyholders or at a special meeting of 2265  
policyholders called for that purpose. 2266

**Sec. ~~3905.52~~ 3905.401**. The valuation fee specified in 2267  
division (B) of section ~~3905.26~~ 3905.40 of the Revised Code does 2268  
not apply to reinsurance ceded to affiliated companies. 2269

~~Sec. 3905.27~~ 3905.41. The superintendent of insurance may 2270  
open an account in the name of each insurance company authorized 2271  
to do business in this state and in the name of any authorized 2272  
insurance ~~agent~~ producer, and charge the accounts with all fees 2273  
incurred by such companies or ~~agents~~ producers in accordance with 2274  
sections ~~3905.02, 3905.03, 3905.07, 3905.26~~ 3905.20, 3905.40, 2275  
~~3919.26,~~ and 3931.03 of the Revised Code, and other statutes 2276  
imposing fees. The statutory fee for each service requested shall 2277  
be charged against the proper account ~~forthwith~~ immediately upon 2278  
the rendition of the service. 2279

Not later than the tenth day of each calendar month the 2280  
superintendent shall render an itemized statement to each company 2281  
or ~~agent~~ insurance producer whose account has been charged during 2282  
the month next preceding, showing the amount of all fees charged 2283  
during that month and demanding that payment thereof be made not 2284  
later than the first day of the month next following. 2285

The failure of any insurance company within that time to pay 2286  
the amount of such fees in accordance with the monthly statement, 2287  
or, if the statement or account is found to be incorrect, in 2288  
accordance with a corrected monthly statement rendered by the 2289  
superintendent, is grounds for the revocation of its certificate 2290  
of authority to do business in this state. In the event of such an 2291  
order of revocation, the superintendent shall ~~forthwith~~ 2292  
immediately cause a notice thereof to be published once in at 2293  
least one newspaper at the seat of the government and also, if a 2294  
domestic company, once in at least one newspaper published in the 2295  
county where its home office is located, or, if a foreign or alien 2296  
company, once in at least one newspaper published in a county of 2297  
this state where an agency of the company is located. After the 2298  
publication of the notice, no agent of the company shall procure 2299  
applications for insurance or issue policies. 2300

In the event of the failure of any ~~agent insurance producer~~ 2301  
within the time fixed to pay the amount of fees charged against 2302  
the ~~agent's producer's~~ producer's account in accordance with the monthly 2303  
statement rendered by the superintendent, the ~~agent's producer's~~ 2304  
license may be revoked in the manner provided by ~~sections 3905.02~~ 2305  
~~and 3905.18~~ section 3905.14 of the Revised Code. 2306

**Sec. 3905.481.** (A)(1) Except as provided in division (B) of 2307  
this section, each person who is issued a license as an ~~agent~~ 2308  
insurance producer on or after ~~the effective date of this~~ 2309  
~~amendment June 30, 1998,~~ shall complete in accordance with 2310  
division (A)(1) of this section at least twenty hours of 2311  
continuing education offered in a course or program of study 2312  
approved by the superintendent of insurance in consultation with 2313  
the insurance agent education advisory council. The person shall 2314  
complete the initial twenty hours of continuing education during a 2315  
period not to exceed twenty-four months commencing on the first 2316  
day of January of the year immediately following the year of the 2317  
issuance of the license and ending on the thirty-first day of 2318  
December of the second year following the year of the issuance of 2319  
the license. Thereafter, the person shall complete at least twenty 2320  
hours of continuing education in every subsequent 2321  
twenty-four-month period commencing on the first day of January 2322  
and ending on the thirty-first day of December of the following 2323  
year. 2324

(2) Except as provided in division (B) of this section, each 2325  
person who, on ~~the effective date of this amendment June 30, 1998,~~ 2326  
holds a license as an ~~agent insurance producer~~ issued prior to 2327  
that date shall complete during that person's applicable 2328  
twenty-four month reporting period, at least twenty hours of 2329  
continuing education offered in a course or program of study 2330  
approved by the superintendent in consultation with the council. 2331  
Thereafter, the person shall complete at least twenty hours of 2332

continuing education in every subsequent twenty-four-month period 2333  
commencing on the first day of January and ending on the 2334  
thirty-first day of December of the following year. 2335

(B) Division (A) of this section does not apply to any person 2336  
or class of persons, as determined by the superintendent in 2337  
consultation with the council. 2338

(C) A person may comply with division (A) of this section by 2339  
demonstrating to the council that the person has completed the 2340  
minimum number of hours required by that division in a 2341  
substantially similar course or program of study offered in 2342  
another state. 2343

**Sec. 3905.482.** (A) The superintendent of insurance shall 2344  
suspend the ~~agent's~~ insurance producer's license of any person who 2345  
fails to meet the requirements of section 3905.481 of the Revised 2346  
Code and has not been granted under division (B) of this section 2347  
an extension of time within which to complete the requirements. 2348  
The suspension shall become effective upon sixty days' written 2349  
notice to the person. The notice shall be sent by ordinary mail to 2350  
the person's residential address on the licensing records of the 2351  
department of insurance. During this sixty-day period, the person 2352  
may provide proof of compliance with the requirements of section 2353  
3905.481 of the Revised Code. If the person fails to demonstrate 2354  
such compliance in a manner and form acceptable to the 2355  
superintendent, the superintendent shall suspend the person's 2356  
license. The suspension shall continue until the person 2357  
demonstrates to the satisfaction of the superintendent that the 2358  
person has complied with the requirements of section 3905.481 of 2359  
the Revised Code and all other provisions of this chapter. 2360  
However, the superintendent ~~shall~~ may revoke the license if the 2361  
person fails to demonstrate such compliance within ~~six months~~ one 2362  
year after the conclusion of the immediately preceding 2363  
twenty-four-month compliance period and has not been granted under 2364

division (B) of this section an extension of time within which to 2365  
complete the requirements. ~~Any person whose license has been~~ 2366  
~~revoked under this division and who desires to hold a license as~~ 2367  
~~an agent under this chapter shall apply for a new agent's license~~ 2368  
~~in accordance with the requirements of this chapter.~~ 2369

(B) If a person cannot meet the requirements of section 2370  
3905.481 of the Revised Code due to a disability or inactivity due 2371  
to special circumstances, the superintendent may grant the person 2372  
a reasonable extension of time to enable the person to comply with 2373  
the requirements of section 3905.481 of the Revised Code for the 2374  
period of the disability or inactivity. The superintendent may 2375  
revoke the license if the person fails to demonstrate such 2376  
compliance within that time period. 2377

(C) Before revoking ~~or suspending~~ any ~~agent's insurance~~ 2378  
producer's license under this section, the superintendent shall 2379  
provide the licensee notice and an opportunity for a hearing in 2380  
accordance with Chapter 119. of the Revised Code. Any person whose 2381  
license has been revoked under this section and who desires to 2382  
hold a license as an insurance producer under this chapter shall 2383  
apply for a new insurance producer's license in accordance with 2384  
the requirements of this chapter. 2385

(D) The superintendent may adopt rules in accordance with 2386  
Chapter 119. of the Revised Code relative to the manner and form 2387  
of demonstrating compliance with the requirements of section 2388  
3905.481 of the Revised Code that is acceptable to the 2389  
superintendent for purposes of this section. 2390

**Sec. 3905.483.** (A) There is hereby created the insurance 2391  
agent education advisory council to advise the superintendent of 2392  
insurance in carrying out the duties imposed under sections 2393  
~~3905.48~~ 3905.481 to 3905.486 of the Revised Code. 2394

(B) The council shall be composed of the superintendent, or 2395

the superintendent's designee, and eleven members appointed by the superintendent, as follows:	2396 2397
(1) One representative of the association of Ohio life insurance companies;	2398 2399
(2) One representative of the independent insurance agents of Ohio;	2400 2401
(3) One representative of the Ohio association of health underwriters;	2402 2403
(4) One representative of the Ohio association of life underwriters;	2404 2405
(5) One representative of the Ohio insurance institute;	2406
(6) One representative of the professional insurance agents association of Ohio;	2407 2408
(7) Two insurance agents each of whom has been licensed continuously during the five-year period immediately preceding the agent's appointment;	2409 2410 2411
(8) One representative of an insurance company admitted to transact business in this state;	2412 2413
(9) Two representatives of consumers, one of whom shall be at least sixty years of age.	2414 2415
(C) Of the initial 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.	2416 2417 2418 2419 2420 2421
(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	2422 2423 2424

to the expiration of the term for which the member's predecessor 2425  
was appointed shall hold office for the remainder of such term. 2426  
Any member shall continue in office subsequent to the expiration 2427  
date of the member's term until the member's successor takes 2428  
office, or until a period of sixty days has elapsed, whichever 2429  
occurs first. A vacancy shall be filled in the same manner as the 2430  
original appointment. 2431

(E) Initial appointments to the council shall be made no 2432  
later than thirty days after April 16, 1993. 2433

(F) Any member is eligible for reappointment. The 2434  
superintendent, after notice and opportunity for a hearing, may 2435  
remove for cause any member the superintendent appoints. 2436

(G) The superintendent or the superintendent's designee shall 2437  
serve as chairperson of the council. Meetings shall be held upon 2438  
the call of the chairperson and as may be provided by procedures 2439  
adopted by the superintendent. Seven members of the council 2440  
constitute a quorum. 2441

(H) Each member shall receive mileage and necessary and 2442  
actual expenses while engaged in the business of the council. 2443

**Sec. 3905.484.** (A) The superintendent of insurance, in 2444  
consultation with the insurance agent education advisory council, 2445  
shall establish criteria for any course or program of study that 2446  
is offered in this state under sections ~~3905.48~~ 3905.481 to 2447  
3905.486 of the Revised Code. 2448

(B) No course or program of study shall be offered in this 2449  
state under sections ~~3905.48~~ 3905.481 to 3905.486 of the Revised 2450  
Code unless it is approved by the superintendent in consultation 2451  
with the council. 2452

(C) A course or program of study offered in this state under 2453  
sections ~~3905.48~~ 3905.481 to 3905.486 of the Revised Code shall be 2454



developed or sponsored only by one of the following:	2455
(1) An insurance company admitted to transact business in this state;	2456 2457
(2) An accredited college or university;	2458
(3) An insurance trade association;	2459
(4) An independent program of instruction that is approved by the superintendent in consultation with the council;	2460 2461
(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.	2462 2463 2464 2465 2466
(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.	2467 2468 2469 2470
<b>Sec. 3905.486.</b> The superintendent of insurance shall adopt rules in accordance with Chapter 119. of the Revised Code to carry out the purposes of sections <del>3905.48</del> <u>3905.481</u> 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.	2471 2472 2473 2474 2475 2476
<b>Sec. <del>3905.47</del> <u>3905.49</u>.</b> (A) As used in this section and section 3905.50 of the Revised Code, "independent insurance <del>agent</del> <u>producer</u> " means an insurance <del>agent</del> <u>producer</u> 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 <del>agent</del> <u>producer</u> or <del>his</del> <u>the producer's</u>	2477 2478 2479 2480 2481 2482 2483

heirs or assigns, and whose agency contract with an insurer 2484  
permits the ~~agent~~ producer to represent concurrently other 2485  
insurers of ~~his~~ the producer's choice. 2486

(B) No ~~agent~~ insurance producer other than an independent 2487  
insurance ~~agent~~ producer shall represent ~~oneself~~ self, or shall be 2488  
represented, to the public as an independent insurance ~~agent~~ 2489  
producer or agency. 2490

**Sec. 3905.50.** (A)(1) Except as provided in division (A)(2) or 2491  
(3) of this section, this section applies to every contract of 2492  
agency between a property and casualty insurance company and an 2493  
independent insurance ~~agent~~ producer, as defined in division (A) 2494  
of section ~~3905.47~~ 3905.49 of the Revised Code, which has been in 2495  
effect for not less than two years. 2496

(2) This section does not apply to a contract of exclusive 2497  
employment by, or an exclusive agency contract with, a single 2498  
insurer or group of insurers under common ownership or control. 2499

(3) This section does not apply to an ~~agent~~ insurance 2500  
producer whose license has been suspended or revoked by the 2501  
superintendent of insurance, an ~~agent~~ insurance producer who has 2502  
demonstrated gross incompetence, or an ~~agent~~ insurance producer 2503  
whose contract has been terminated for insolvency, abandonment, 2504  
gross or willful misconduct, or failure to pay to the insurer, in 2505  
accordance with the agency contract, moneys due to the insurer 2506  
upon written demand of the insurer. 2507

(B) No insurer shall terminate an independent insurance ~~agent~~ 2508  
producer contract of agency except by mutual agreement of the 2509  
parties or upon one hundred eighty days' written notice to the 2510  
independent insurance ~~agent~~ producer. 2511

(1) Such notice shall include specific reasons for the 2512  
termination of the ~~agent~~ producer. 2513

(2) Such notice shall be sent by certified mail, return receipt requested, to the last known address of the agency. 2514  
2515

(C) During the one hundred eighty day notice period, an independent insurance ~~agent~~ producer 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~~ producer, 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. 2516  
2517  
2518  
2519  
2520  
2521  
2522  
2523  
2524

(D) None of the following constitutes an acceptable reason for the termination of a contract of agency: 2525  
2526

(1) Claims experience of the ~~agent~~ insurance producer in a single year; 2527  
2528

(2) Claims experience due to ~~catastrophies~~ catastrophes of nature covered by a policy; 2529  
2530

(3) Claims experience under uninsured and underinsured motorist coverages. 2531  
2532

(E) An ~~agent~~ insurance producer 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~~ producer and superintendent with documentation in support of the insurer's stated reason for termination. 2533  
2534  
2535  
2536  
2537  
2538  
2539  
2540  
2541  
2542

(F) The superintendent shall promptly investigate the allegation. If the superintendent has reasonable cause to believe 2543  
2544

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~~ insurance producer 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 divison (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~~ insurance producer 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~~ producer 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~~ insurance producer to the ownership of expirations provided for in any contract with an insurer.

(H) Any information or documentation provided to an ~~agent~~ insurance producer 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 2577  
section. No insurer is liable for furnishing information or 2578  
documentation in compliance with this section if the insurer acts 2579  
without malice and in the reasonable belief that such information 2580  
or documentation is warranted by this section. 2581

**Sec. 3905.55.** (A) Except as provided in division (B) of this 2582  
section, an agent insurance producer may charge a consumer a fee 2583  
if all of the following conditions are met: 2584

(1) The fee is disclosed to the consumer in a manner that 2585  
separately identifies the fee and the premium. 2586

(2) The fee is not calculated as a percentage of the premium. 2587  
2588

(3) The fee is not refunded, forgiven, waived, offset, or 2589  
reduced by any commission earned or received for any policy or 2590  
coverage sold. 2591

(4) The amount of the fee, and the consumer's obligation to 2592  
pay the fee, are not conditioned upon the occurrence of a future 2593  
event or condition, such as the purchase, cancellation, lapse, 2594  
declination, or nonrenewal of insurance. 2595

(5) The agent producer discloses to the consumer that the fee 2596  
is being charged by the agent producer and not by the insurance 2597  
company, that neither state law nor the insurance company requires 2598  
the agent producer to charge the fee, and that the fee is not 2599  
refundable. 2600

(6) The consumer consents to the fee. 2601

(7) The agent producer, in charging the fee, does not 2602  
discriminate on the basis of race, sex, national origin, religion, 2603  
disability, health status, age, marital status, or geographic 2604  
location, and does not unfairly discriminate between persons of 2605  
essentially the same class and of essentially the same hazard or 2606

expectation of life. 2607

(B) A fee may not be charged for taking or submitting an 2608  
initial application for coverage with any one insurer or different 2609  
programs with the same insurer, or processing a change to an 2610  
existing policy, a cancellation, a claim, or a renewal, in 2611  
connection with any of the following personal lines policies: 2612

(1) Private passenger automobile; 2613

(2) Homeowners, including coverage for tenants or condominium 2614  
owners, owner-occupied fire or dwelling property coverage, 2615  
personal umbrella liability, or any other personal lines-related 2616  
coverage whether sold as a separate policy or as an endorsement to 2617  
another personal lines policy; 2618

(3) Individual life insurance; 2619

(4) Individual sickness or accident insurance; 2620

(5) Disability income policies; 2621

(6) Credit insurance products. 2622

(C) Notwithstanding any other provision of this section, an 2623  
agent insurance producer may charge a fee for agent producer 2624  
services in connection with a policy issued on a no-commission 2625  
basis, if the agent producer provides the consumer with prior 2626  
disclosure of the fee and of the services to be provided. 2627

(D) In the event of a dispute between an agent insurance 2628  
producer and a consumer regarding any disclosure required by this 2629  
section, the agent producer has the burden of proving that the 2630  
disclosure was made. 2631

(E)(1) No person shall fail to comply with this section. 2632

(2) Whoever violates division (E)(1) of this section is 2633  
deemed to have engaged in an unfair and deceptive act or practice 2634  
in the business of insurance under sections 3901.19 to 3901.26 of 2635  
the Revised Code. 2636

(F) This section does not apply with respect to any expense 2637  
fee charged by a surety bail bond ~~agent~~ producer to cover the 2638  
costs incurred by the surety bail bond ~~agent~~ producer in executing 2639  
the bail bond. 2640

**Sec. 3905.72.** (A)(1) No person shall act as a managing 2641  
general agent representing an insurer licensed in this state with 2642  
respect to risks located in this state unless the person is 2643  
licensed as a managing general agent pursuant to division (C) or 2644  
(D) of this section. 2645

(2) No person shall act as a managing general agent 2646  
representing an insurer organized under the laws of this state 2647  
with respect to risks located outside this state unless the person 2648  
is licensed as a managing general agent pursuant to division (C) 2649  
of this section. 2650

(B) Every person that seeks to act as a managing general 2651  
agent as described in division (A) of this section shall apply to 2652  
the superintendent of insurance for a license. ~~The~~ Except as 2653  
otherwise provided in division (D) of this section, the 2654  
application shall be in writing on a form provided by the 2655  
superintendent and shall be sworn or affirmed before a notary 2656  
public or other person empowered to administer oaths. The 2657  
application shall be kept on file by the superintendent and shall 2658  
include all of the following: 2659

(1) The name and principal business address of the applicant; 2660  
2661

(2) If the applicant is an individual, ~~his~~ the applicant's 2662  
current occupation; 2663

(3) If the applicant is an individual, ~~his~~ the applicant's 2664  
occupation or occupations during the five-year period prior to 2665  
applying for the license to act as a managing general agent; 2666

(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.

2697

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

2698

2699

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

2700

2701

(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.

2702

2703

2704

2705

2706

2707

(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.

2708

2709

2710

2711

2712

2713

2714

2715

2716

2717

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.

2718

2719

2720

2721

2722

2723

(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

2724

2725

2726

2727

shall expire on the last day of February next after its issuance 2728  
or renewal. 2729

~~(E)~~(F) If the appointment of a managing general agent is 2730  
terminated by the insurer, the license of the managing general 2731  
agent shall expire on the date of the termination. 2732

~~(F)~~(G) A license shall be renewed in accordance with the 2733  
standard renewal procedure specified in Chapter 4745. of the 2734  
Revised Code. 2735

~~(G)~~(H) All license fees collected pursuant to ~~division (C)(4)~~ 2736  
of this section shall be paid into the state treasury to the 2737  
credit of the department of insurance operating fund. 2738

**Sec. 3905.83.** As used in sections 3905.83 to 3905.95 of the 2739  
Revised Code: 2740

(A) "Insurer" means any domestic, foreign, or alien insurance 2741  
company that has been issued a certificate of authority by the 2742  
superintendent of insurance to transact surety business in this 2743  
state. 2744

(B) "Managing general agent" means any person that is 2745  
appointed or employed by an insurer to supervise or otherwise 2746  
manage the bail bond business written in this state by surety bail 2747  
bond ~~agents~~ producers appointed by the insurer. 2748

(C) "Surety" means an insurer that agrees to be responsible 2749  
for the fulfillment of the obligation of a principal if the 2750  
principal fails to fulfill that obligation. 2751

**Sec. 3905.84.** No person shall act in the capacity of a surety 2752  
bail bond ~~agent~~ producer, or perform any of the functions, duties, 2753  
or powers prescribed for surety bail bond ~~agents~~ producers under 2754  
sections 3905.83 to 3905.95 of the Revised Code, unless that 2755  
person ~~is~~ is qualified, licensed, and appointed as provided in 2756

those sections. 2757

**Sec. 3905.841.** The following persons or classes of persons 2758  
shall not act as surety bail bond ~~agents~~ producers or employees of 2759  
a surety bail bond ~~agent~~ producer or bail bond business and shall 2760  
not directly or indirectly receive any benefits from the execution 2761  
of a bail bond, except as a principal: 2762

(A) Jailers or other persons employed in a detention 2763  
facility, as defined in section 2921.01 of the Revised Code; 2764

(B) Peace officers as defined in section 2921.51 of the 2765  
Revised Code, or other employees of a law enforcement agency; 2766

(C) Committing magistrates, employees of a court, or 2767  
employees of the clerk of any court; 2768

(D) Attorneys; 2769

(E) Any other persons having the power to arrest, or persons 2770  
who have authority over or control of, federal, state, county, or 2771  
municipal corporation prisoners. 2772

**Sec. 3905.85.** (A) An applicant for a license as a surety bail 2773  
bond ~~agent~~ producer shall submit an application for the license in 2774  
a manner prescribed by the superintendent of insurance in 2775  
accordance with section 3905.05 of the Revised Code. The 2776  
application shall be accompanied by a one hundred fifty dollar fee 2777  
and a statement that gives the applicant's name, age, residence, 2778  
present occupation, occupation for the five years next preceding 2779  
the date of the application, and such other information as the 2780  
superintendent may require. 2781

The applicant shall also request a criminal records check 2782  
conducted by the superintendent of the bureau of criminal 2783  
identification and investigation in accordance with section 2784  
109.572 of the Revised Code, and direct that the bureau's written 2785

response to that request be transmitted to the superintendent of 2786  
insurance, or to the superintendent's designee, as specified on 2787  
the form prescribed pursuant to that section. The superintendent 2788  
of insurance, in the superintendent's discretion, may designate 2789  
other governmental agencies or other sources to conduct the 2790  
criminal records check. If the superintendent of insurance or the 2791  
superintendent's designee fails to receive ~~the bureau's a~~ response 2792  
to ~~the applicant's request for~~ a requested criminal records check, 2793  
or if the applicant fails to request the criminal records check, 2794  
the superintendent may refuse to issue a license under this 2795  
section. The applicant shall pay any fee required ~~by the bureau~~ 2796  
for conducting the criminal records check. 2797

An applicant for a license shall submit to an examination as 2798  
to the qualifications set forth in division (B) of this section, 2799  
and shall be licensed in accordance with section 3905.06 of the 2800  
Revised Code. 2801

(B) The superintendent of insurance shall issue to an 2802  
applicant a license that states in substance that the person is 2803  
authorized to do the business of a surety bail bond ~~agent~~ 2804  
producer, if the superintendent is satisfied that all of the 2805  
following apply: 2806

(1) If the applicant is a natural person, the applicant is 2807  
eighteen years of age or older. 2808

(2) The applicant is a person of high character and 2809  
integrity. 2810

(3) The applicant has successfully completed the educational 2811  
requirements set forth in section ~~3905.48~~ 3905.04 of the Revised 2812  
Code and passed the examination required by that section. 2813

(C) A surety bail bond ~~agent~~ producer license issued pursuant 2814  
to this section authorizes the holder, when appointed by an 2815  
insurer, to execute or countersign bail bonds in connection with 2816

judicial proceedings and to receive money or other things of value 2817  
for those services. However, the holder shall not execute or 2818  
deliver a bond during the first one hundred eighty days after the 2819  
license is initially issued. This restriction does not apply with 2820  
respect to license renewals. 2821

(D) The superintendent of insurance may suspend or revoke a 2822  
surety bail bond ~~agent's~~ producer's license as provided in section 2823  
3905.482 of the Revised Code, and may suspend, revoke, or refuse 2824  
to issue or renew such a license as provided in section ~~3905.49~~ 2825  
3905.14 of the Revised Code. 2826

If the superintendent refuses to issue such a license based 2827  
in whole or in part upon the ~~bureau's~~ written response to a 2828  
criminal records check requested pursuant to division (A) of this 2829  
section, the superintendent shall send a copy of the response that 2830  
~~the bureau was~~ transmitted to the superintendent or to the 2831  
superintendent's designee, to the applicant at the applicant's 2832  
home address upon the applicant's submission of a written request 2833  
to the superintendent. 2834

(E) Any person licensed as a surety bail bond ~~agent~~ producer 2835  
may surrender the person's license in accordance with section 2836  
~~3905.012~~ 3905.16 of the Revised Code. 2837

(F) Unless revoked or suspended by the superintendent of 2838  
insurance or surrendered by the surety bail bond ~~agent~~ producer, 2839  
such a license may, in the discretion of the superintendent and 2840  
the payment of a one hundred fifty dollar fee, be ~~continued past~~ 2841  
reviewed effective the last first day of ~~February~~ March next after 2842  
its issue and after the ~~last first~~ day of ~~February~~ March in each 2843  
succeeding year. 2844

(G) The superintendent of insurance may prescribe the forms 2845  
to be used as evidence of the issuance of a license under this 2846  
section. The superintendent shall require each licensee to 2847  
acquire, from a source designated by the superintendent, a wallet 2848

identification card that includes the licensee's photograph and 2849  
any other information required by the superintendent. The licensee 2850  
shall keep the wallet identification card on the licensee's person 2851  
while engaging in the bail bond business. 2852

(H)(1) The superintendent of insurance shall not issue or 2853  
renew the license of a ~~corporation, partnership, or limited~~ 2854  
~~liability company~~ business entity organized under the laws of this 2855  
or any other state unless the ~~corporation, partnership, or limited~~ 2856  
~~liability company~~ business entity is qualified to do business in 2857  
this state under the applicable provisions of Title XVII of the 2858  
Revised Code. 2859

(2) The failure of a ~~corporation, partnership, or limited~~ 2860  
~~liability company~~ business entity to be in good standing with the 2861  
secretary of state or to maintain a valid appointment of statutory 2862  
agent is grounds for suspending, revoking, or refusing to renew 2863  
its license. 2864

(3) By applying for a surety bail bond ~~agent~~ producer license 2865  
under this section, an individual, ~~corporation, partnership, or~~ 2866  
~~limited liability company~~ business entity consents to the 2867  
jurisdiction of the courts of this state. 2868

(I) A surety bail bond ~~agent~~ producer licensed pursuant to 2869  
this section is an officer of the court. 2870

(J) Any fee collected under this section shall be paid into 2871  
the state treasury to the credit of the department of insurance 2872  
operating fund created by section 3901.021 of the Revised Code. 2873

**Sec. 3905.851.** A surety bail bond ~~agent~~ producer qualified, 2874  
licensed, and appointed in accordance with sections 3905.83 to 2875  
3905.95 of the Revised Code shall not be required to pay any 2876  
licensing fee imposed by a political subdivision of this state to 2877  
perform any of the functions, duties, or powers prescribed for 2878

surety bail bond ~~agents~~ producers under those sections. 2879

**Sec. 3905.86.** (A) Any person licensed as a surety bail bond 2880  
~~agent~~ producer may be appointed by an insurer in accordance with 2881  
this section. 2882

(B) Each insurer shall certify to the superintendent of 2883  
insurance before the thirtieth day of June each year the names and 2884  
addresses of the surety bail bond ~~agents~~ producers for whom it 2885  
requests appointments or the continuance of appointments. All 2886  
insurers shall pay to the superintendent a fee of twenty dollars 2887  
for each such appointment when issued and for each continuance 2888  
thereafter. Such an appointment, unless canceled by the insurer, 2889  
may be continued in force past the thirtieth day of June next 2890  
after its issue and after the thirtieth day of June of each 2891  
succeeding year provided that the appointee is licensed and is 2892  
eligible for the appointment. 2893

Any fee collected under this division shall be paid into the 2894  
state treasury to the credit of the department of insurance 2895  
operating fund created by section 3901.021 of the Revised Code. 2896

(C)(1) By appointing a surety bail bond ~~agent~~ producer, an 2897  
insurer certifies to the superintendent that the person is 2898  
competent, financially responsible, and suitable to represent the 2899  
insurer. 2900

(2) An insurer shall be bound by the acts of the person named 2901  
in the appointment within that person's actual or apparent 2902  
authority as its agent. 2903

(D) A surety bail bond ~~agent~~ producer shall not represent to 2904  
the public that the ~~agent~~ producer has authority to represent a 2905  
particular insurer until the insurer has acknowledged that 2906  
authority by appointment of the ~~agent~~ producer in accordance with 2907  
this section. 2908

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

**Sec. 3905.862.** Upon the expiration or cancellation of a surety bail bond agent's producer's appointment, the agent producer shall not engage or attempt to engage in any activity requiring such an appointment. However, an insurer that cancels the appointment of a surety bail bond agent producer may authorize the agent producer to continue to attempt the arrest and surrender of a defendant for whom a bail bond had been written prior to the cancellation and to seek discharge of forfeitures and judgments.

**Sec. 3905.87.** (A) A surety bail bond agent producer shall not file a bond in any court of this state unless both of the following conditions are met:

(1) The agent producer has registered with the clerk of that court, if registration is required by the court.

(2) The agent producer has registered with the clerk of the court of common pleas of the county in which the agent producer resides.

(B) To register, a surety bail bond agent producer shall file, with the clerk of the court, a certified copy of the surety bail bond agent's producer's appointment by power of attorney from each insurer that the surety bail bond agent producer represents. Registration and filing of a certified copy of a renewed power of attorney shall be performed by the first day of August of each odd-numbered year. The clerk of the court shall not accept the



registration of a surety bail bond ~~agent~~ producer unless the 2938  
surety bail bond ~~agent~~ producer is currently licensed and 2939  
appointed in accordance with sections 3905.83 to 3905.95 of the 2940  
Revised Code. 2941

**Sec. 3905.88.** (A) Each individual who is issued a license as 2942  
a surety bail bond ~~agent~~ producer shall complete, in accordance 2943  
with section 3905.481 of the Revised Code, at least fourteen hours 2944  
of continuing education offered in a course or program of study 2945  
related to the bail bond business that is approved by the 2946  
superintendent of insurance in consultation with the insurance 2947  
agent education advisory council. 2948

(B) The superintendent shall, in accordance with section 2949  
3905.482 of the Revised Code, suspend or revoke the license of any 2950  
surety bail bond ~~agent~~ producer who fails to meet the requirements 2951  
of division (A) of this section and has not been granted an 2952  
extension of time within which to complete the requirements. 2953

(C) The superintendent shall adopt, in accordance with 2954  
Chapter 119. of the Revised Code, any rule necessary to carry out 2955  
the superintendent's duties under this section. 2956

**Sec. 3905.89.** Each person licensed under sections 3905.83 to 2957  
3905.95 of the Revised Code shall notify in writing the 2958  
appropriate insurer or managing general agent, and the clerk of 2959  
the court of common pleas of the county in which the licensee 2960  
resides, within thirty days after a change in the licensee's 2961  
principal business address or telephone number. 2962

This notification requirement is in addition to the 2963  
notification requirements set forth in ~~section 3905.54~~ other 2964  
provisions of ~~the Revised Code~~ this chapter. 2965

**Sec. 3905.90.** Each surety bail bond ~~agent~~ producer shall 2966

maintain all records of surety bonds executed or countersigned by 2967  
the surety bail bond ~~agent~~ producer for at least three years after 2968  
the liability of the surety has been terminated. Those records 2969  
shall be open, at all times, to examination, inspection, and 2970  
photographic reproduction by any employee or agent of the 2971  
department of insurance, or by any authorized representative of 2972  
the insurer or managing general agent. The superintendent of 2973  
insurance at any time may require the licensee to furnish to the 2974  
department, in the manner and form that the superintendent 2975  
requires, any information concerning the surety bond business of 2976  
the licensee. 2977

**Sec. 3905.91.** (A) All build-up funds posted by a surety bail 2978  
bond ~~agent~~ producer or managing general agent, either with an 2979  
insurer or managing general agent representing an insurer, shall 2980  
be maintained in an individual build-up trust account for the 2981  
surety bail bond ~~agent~~ producer by the insurer or the managing 2982  
general agent. The insurer or managing general agent shall 2983  
establish the account in a federally insured bank or savings and 2984  
loan association in this state jointly in the name of the surety 2985  
bail bond ~~agent~~ producer and the insurer or managing general 2986  
agent, or in trust for the surety bail bond ~~agent~~ producer by the 2987  
insurer or managing general agent. The account shall be open to 2988  
inspection and examination by the department of insurance at all 2989  
times. The insurer or managing general agent shall maintain an 2990  
accounting of all of those funds, which accounting designates the 2991  
amounts collected on each bond written. 2992

(B) Build-up funds shall not exceed forty per cent of the 2993  
premium as established by the surety bail bond ~~agent's~~ producer's 2994  
contract agreement with the insurer or managing general agent. 2995  
Build-up funds received shall be immediately deposited to the 2996  
build-up trust account. Interest earned on build-up trust accounts 2997

shall accrue to the surety bail bond ~~agent~~ producer. 2998

(C) Build-up funds are due upon termination of the surety 2999  
bail bond ~~agent's~~ producer's contract and discharge of liabilities 3000  
on the bonds for which the build-up funds were posted. The insurer 3001  
or managing general agent shall pay the funds to the surety bail 3002  
bond ~~agent~~ producer not later than six months after the funds are 3003  
due. 3004

**Sec. 3905.92.** (A) A surety bail bond ~~agent~~ producer that 3005  
accepts collateral security or other indemnity shall comply with 3006  
all of the following requirements: 3007

(1) The collateral security or other indemnity shall be 3008  
reasonable in relation to the amount of the bond. 3009

(2) The collateral security or other indemnity shall not be 3010  
used by the surety bail bond ~~agent~~ producer for personal benefit 3011  
or gain and shall be returned in the same condition as received. 3012

(3) Acceptable forms of collateral security or indemnity 3013  
include cash or its equivalent, a promissory note, an indemnity 3014  
agreement, a real property mortgage in the name of the surety, and 3015  
any filing under Chapter 1309. of the Revised Code. If the surety 3016  
bail bond ~~agent~~ producer accepts on a bond collateral security in 3017  
excess of fifty thousand dollars in cash, the cash amount shall be 3018  
made payable to the surety in the form of a cashier's check, 3019  
United States postal money order, certificate of deposit, or wire 3020  
transfer. 3021

(4) The surety bail bond ~~agent~~ producer shall provide to the 3022  
person giving the collateral security or other indemnity, a 3023  
written, numbered receipt that describes in a detailed manner the 3024  
collateral security or other indemnity received, along with copies 3025  
of any documents rendered. 3026

(5) The collateral security or other indemnity shall be 3027

received and held in the surety's name by the surety bail bond 3028  
agent producer in a fiduciary capacity and, prior to any 3029  
forfeiture of bail, shall be kept separate and apart from any 3030  
other funds or assets of the surety bail bond agent producer. 3031  
However, when collateral security in excess of fifty thousand 3032  
dollars in cash or its equivalent is received on a bond, the 3033  
surety bail bond agent producer promptly shall forward the entire 3034  
amount to the surety or managing general agent. 3035

(B) Collateral security may be placed in an interest-bearing 3036  
account in a federally insured bank or savings and loan 3037  
association in this state, to accrue to the benefit of the person 3038  
giving the collateral security. The surety bail bond agent 3039  
producer, surety, or managing general agent shall not make any 3040  
pecuniary gain on the collateral security deposited. 3041

(C)(1) The surety is liable for all collateral security or 3042  
other indemnity accepted by a surety bail bond agent producer. If, 3043  
upon final termination of liability on a bond, the surety bail 3044  
bond agent producer or managing general agent fails to return the 3045  
collateral security to the person that gave it, the surety shall 3046  
return the actual collateral to that person or, in the event that 3047  
the surety cannot locate the collateral, shall pay the person in 3048  
accordance with this section. 3049

(2) A surety's liability as described in division (C)(1) of 3050  
this section survives the termination of the surety bail bond 3051  
~~agent's producer's~~ appointment, with respect to those bonds that 3052  
were executed by the surety bail bond agent producer prior to the 3053  
termination of the appointment. 3054

(D) If a forfeiture occurs, the surety bail bond agent 3055  
producer or surety shall give the principal and the person that 3056  
gave the collateral security ten days' written notice of intent to 3057  
convert the collateral deposit into cash to satisfy the 3058  
forfeiture. The notice shall be sent by certified mail, return 3059

receipt requested, to the last known address of the principal and 3060  
the person that gave the collateral. 3061

The surety bail bond ~~agent~~ producer or surety shall convert 3062  
the collateral deposit into cash within a reasonable period of 3063  
time and return that which is in excess of the face value of the 3064  
bond minus the actual and reasonable expenses of converting the 3065  
collateral into cash. In no event shall these expenses exceed ten 3066  
per cent of the face value of the bond. However, upon motion and 3067  
proof that the actual and reasonable expenses exceed ten per cent, 3068  
the court may allow recovery of the full amount of the actual and 3069  
reasonable expenses. If there is a remission of forfeiture that 3070  
required the surety to pay the bond to the court, the surety shall 3071  
pay to the person that gave the collateral the value of any 3072  
collateral received for the bond minus the actual and reasonable 3073  
expenses permitted to be recovered under this division. 3074

(E) A surety bail bond ~~agent~~ producer or surety shall not 3075  
solicit or accept a waiver of any of the provisions of this 3076  
section, or enter into any agreement as to the value of the 3077  
collateral. 3078

(F) No person shall fail to comply with this section. 3079

**Sec. 3905.921.** (A) If collateral security or other indemnity 3080  
is accepted on a bond, the surety bail bond ~~agent~~ producer, 3081  
managing general agent, or surety shall make, upon demand, a 3082  
written request to the court for a discharge of the bond to be 3083  
delivered to the surety or the surety's agent. 3084

If the obligation of the surety on the bond is released in 3085  
writing by the court and a discharge is provided to the surety or 3086  
the surety's agent, the collateral security or other indemnity, 3087  
except a promissory note or an indemnity agreement, shall be 3088  
returned, within twenty-one days after the discharge is provided, 3089  
to the person that gave the collateral security or other 3090

indemnity, unless another disposition is provided for by legal 3091  
assignment of the right to receive the collateral to another 3092  
person. If, despite diligent inquiry by the surety or the surety's 3093  
agent to determine that the bond has been discharged, the court 3094  
fails to provide a written discharge within thirty days after the 3095  
written request was made to the court, the bond shall be 3096  
considered canceled by operation of law, and the collateral 3097  
security or other indemnity, except a promissory note or an 3098  
indemnity agreement, shall be returned, within twenty-one days 3099  
after the written request for discharge was made to the court, to 3100  
the person that gave the collateral security or other indemnity. 3101

(B) No fee or other charge, other than those authorized by 3102  
sections 3905.83 to 3905.95 of the Revised Code or by rule of the 3103  
superintendent of insurance, shall be deducted from the collateral 3104  
due. However, allowable expenses incurred in the apprehension of a 3105  
defendant because of a forfeiture of bond or judgment may be 3106  
deducted if those expenses are accounted for. 3107

(C)(1) No person shall fail to return collateral security in 3108  
accordance with this section. 3109

(2) A violation of division (C)(1) of this section shall be 3110  
punishable as follows: 3111

(a) If the collateral is of a value of less than five hundred 3112  
dollars, a violation is a misdemeanor of the first degree; 3113

(b) If the collateral is of a value of at least five hundred 3114  
dollars but less than five thousand dollars, a violation is a 3115  
felony of the fifth degree; 3116

(c) If the collateral is of a value of at least five thousand 3117  
dollars but less than ten thousand dollars, a violation is a 3118  
felony of the fourth degree; 3119

(d) If the collateral is of a value of ten thousand dollars 3120  
or more, a violation is a felony of the third degree. 3121

**Sec. 3905.93.** A surety bail bond ~~agent~~ producer shall not 3122  
execute a bail bond without doing both of the following: 3123

(A) Charging the premium rate filed with and approved by the 3124  
superintendent of insurance; 3125

(B) Disclosing the expense fee that will be charged to cover 3126  
the costs incurred by the ~~agent~~ producer in executing the bond. 3127

**Sec. 3905.931.** (A) No insurer, managing general agent, or 3128  
surety bail bond ~~agent~~ producer shall furnish to any person any 3129  
blank form, application, stationery, business card, or other 3130  
supplies to be used in soliciting, negotiating, or effecting bail 3131  
bonds unless the person is licensed to act as a surety bail bond 3132  
~~agent~~ producer and is appointed by an insurer. This division does 3133  
not prohibit an unlicensed employee, under the direct supervision 3134  
and control of a licensed and appointed surety bail bond ~~agent~~ 3135  
producer, from possessing or executing in the surety bond office, 3136  
any form, other than a power of attorney, bond form, or collateral 3137  
receipt, while acting within the scope of the employee's 3138  
employment. 3139

(B) An insurer that furnishes any of the supplies mentioned 3140  
in division (A) of this section to any surety bail bond ~~agent~~ 3141  
producer or other person not appointed by an insurer and that 3142  
accepts any bail bond business from or writes any bail bond 3143  
business for that surety bail bond ~~agent~~ producer or other person 3144  
is liable on the bond to the same extent and in the same manner as 3145  
if the surety bail bond ~~agent~~ producer or other person had been 3146  
appointed or authorized by an insurer to act in its behalf. 3147

**Sec. 3905.932.** A surety bail bond ~~agent~~ producer or insurer 3148  
shall not do any of the following: 3149

(A) Suggest or advise the employment of, or name for 3150

employment, any particular attorney to represent its principal; 3151

(B) Directly or indirectly solicit business in, or on the 3152  
property or grounds of, a detention facility, as defined in 3153  
section 2921.01 of the Revised Code, or in, or on the property or 3154  
grounds of, any court. For purposes of this division, "solicit" 3155  
includes the distribution of business cards, print advertising, or 3156  
any other written information directed to prisoners or potential 3157  
indemnitors, unless a request is initiated by the prisoner or 3158  
potential indemnitor. Permissible print advertising in a detention 3159  
facility is strictly limited to a listing in a telephone directory 3160  
and the posting of the surety bail bond ~~agent's~~ producer's name, 3161  
address, and telephone number in a designated location within the 3162  
detention facility. 3163

(C) Wear or otherwise display any identification, other than 3164  
wallet identification card required under division (G) of section 3165  
3905.85 of the Revised Code, in or on the property or grounds of a 3166  
detention facility, as defined in section 2921.01 of the Revised 3167  
Code, or in or on the property or grounds of any court; 3168

(D) Pay a fee or rebate or give or promise anything of value 3169  
to a jailer, law enforcement officer, committing magistrate, or 3170  
other person who has power to arrest or to hold in custody, or to 3171  
any public official or public employee, in order to secure a 3172  
settlement, compromise, remission, or reduction of the amount of 3173  
any bail bond or estreatment of bail; 3174

(E) Pay a fee or rebate or give or promise anything of value 3175  
to an attorney in a bail bond matter, except in defense of any 3176  
action on a bond; 3177

(F) Pay a fee or rebate or give or promise anything of value 3178  
to the principal or to anyone in the principal's behalf; 3179

(G) Participate in the capacity of an attorney at a trial or 3180  
hearing of a principal; 3181



(H) Accept anything of value from a principal for providing a bail bond, other than the premium filed with and approved by the superintendent of insurance and an expense fee, except that the surety bail bond ~~agent~~ producer may, in accordance with section 3905.92 of the Revised Code, accept collateral security or other indemnity from a principal or other person together with documentary stamp taxes if applicable. No fees, expenses, or charges of any kind shall be deducted from the collateral held or any return premium due, except as authorized by sections 3905.83 to 3905.95 of the Revised Code or by rule of the superintendent. A surety bail bond ~~agent~~ producer, upon written agreement with another party, may receive a fee or other compensation for returning to custody an individual who has fled the jurisdiction of the court or caused the forfeiture of a bond.

(I) Execute a bond in this state on the person's own behalf;

(J) Execute a bond in this state if a judgment has been entered on a bond executed by the surety bail bond ~~agent~~ producer, which judgment has remained unpaid for at least sixty days after all appeals have been exhausted, unless the full amount of the judgment is deposited with the clerk of the court.

**Sec. 3905.933.** (A) A surety bail bond ~~agent~~ producer shall not sign or countersign in blank any bond, or give a power of attorney to, or otherwise authorize, anyone to countersign the surety bail bond ~~agent's~~ producer's name to a bond unless the person so authorized is a licensed and appointed surety bail bond ~~agent~~ producer directly employed by the surety bail bond ~~agent~~ producer giving that authority.

(B) A surety bail bond ~~agent~~ producer shall not divide with any other person, or share in, any commissions payable on account of a bail bond, except as between other surety bail bond ~~agents~~ producers that are licensed or otherwise qualified to engage in

the bail bond business in their state of domicile. 3213

**Sec. 3905.934.** (A) A surety bail bond ~~agent~~ producer shall 3214  
not make, publish, or otherwise disseminate, directly or 3215  
indirectly, any misleading or false advertisement, or engage in 3216  
any other deceptive trade practice. 3217

(B) All advertising by a surety bail bond ~~agent~~ producer 3218  
shall include the address of record of the ~~agent~~ producer on file 3219  
with the department of insurance. 3220

**Sec. 3905.94.** If the superintendent of insurance, in 3221  
accordance with section ~~3905.49~~ 3905.14 of the Revised Code, 3222  
suspends or revokes a person's license as a surety bail bond ~~agent~~ 3223  
producer, the person, during the period of suspension or 3224  
revocation, shall not be employed by any surety bail bond ~~agent~~ 3225  
producer, have any ownership interest in any business involving 3226  
bail bonds, or have any financial interest of any type in any bail 3227  
bond business. 3228

**Sec. 3905.941.** Upon the surrender, suspension, or revocation 3229  
of a surety bail bond ~~agent's~~ producer's license, the appointing 3230  
insurer or managing general agent immediately shall designate a 3231  
licensed and appointed surety bail bond ~~agent~~ producer to 3232  
administer all bail bonds previously written by the licensee. 3233

**Sec. 3905.99.** (A) Whoever violates ~~sections 3905.181,~~ 3234  
~~3905.21, or 3905.23~~ section 3905.182 of the Revised Code shall be 3235  
fined not less than twenty-five nor more than five hundred dollars 3236  
or imprisoned not more than six months, or both. 3237

(B) Whoever violates section 3905.31 or 3905.33 of the 3238  
Revised Code shall be fined not less than twenty-five nor more 3239  
than five hundred dollars or imprisoned not more than one year, or 3240  
both. 3241

(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;	3271
(G) The amount of losses unpaid;	3272
(H) The whole number of policies in force;	3273
(I) The amount insured by such policies;	3274
(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;	3275 3276 3277 3278 3279
(K) The amount of capital stock, specifying amount paid and unpaid;	3280 3281
(L) The amount of dividends unpaid and the amount of all other liabilities;	3282 3283
(M) A detailed statement of all the assets of the company, and the manner of their investment;	3284 3285
(N) An exhibit of the policy obligations of the company, which shall include:	3286 3287
(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;	3288 3289 3290 3291 3292
(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.	3293 3294 3295 3296 3297 3298 3299

An exhibit of the policy obligations of the company may be 3300  
required more often than once a year. 3301

**Sec. 3909.06.** Every life insurance company organized by act 3302  
of congress or under the laws of another state of the United 3303  
States doing business in this state, annually shall file a 3304  
statement of its condition and affairs in the office of the 3305  
superintendent of insurance, and such statement shall be filed on 3306  
the forms adopted by the superintendent pursuant to section 3307  
~~3905.29~~ 3901.77 of the Revised Code. 3308

**Sec. 3911.011.** (A) No policy, annuity, or other contract 3309  
providing variable or fixed and variable benefits or contractual 3310  
payments shall be delivered or issued for delivery in this state 3311  
except by a life insurance company, organized under the laws of 3312  
this state, or a company, partnership, or association, organized 3313  
or incorporated, by an act of congress, or under the laws of this 3314  
or any other state of the United States, or any foreign 3315  
government, and transacting the business of life insurance in this 3316  
state. No such company, partnership or association shall deliver 3317  
or issue for delivery in this state any such policy, annuity, or 3318  
contract until the superintendent of insurance has determined that 3319  
its condition and methods of operation in connection with the 3320  
issuance of ~~such~~ the policies, annuities, and contracts will not 3321  
render its operation hazardous to the public or to the holders of 3322  
its policies, annuities, and other contracts in this state. In 3323  
making such determination, the superintendent shall consider the 3324  
history, reputation, and financial condition of ~~such~~ the company, 3325  
partnership, or association, and the character, responsibility, 3326  
and general fitness of its officers, directors, partners, or 3327  
associates. In making such determination with respect to a 3328  
company, partnership, or association not organized under the laws 3329  
of this state, the superintendent shall also consider whether the 3330

laws and regulations of its domicile provide a degree of 3331  
protection to the public and the holders of its policies, 3332  
annuities, and other contracts substantially equal to that 3333  
provided by this section and any rules adopted by the 3334  
superintendent pursuant to division (C) of this section. If any 3335  
such company is a subsidiary of, or affiliated through management 3336  
or ownership with, a life insurance company authorized to do 3337  
business in this state, the superintendent may consider the 3338  
requirements of this division to have been satisfied if either 3339  
such company or its parent or affiliated company meets such 3340  
requirements. 3341

(B) No policy, annuity, or other contract described in 3342  
division (A) of this section and no certificate, application, 3343  
endorsement, or rider to be used in connection with any such 3344  
policy, annuity, or other contract shall be delivered, or issued 3345  
for delivery, in this state until a copy thereof has been filed 3346  
with the superintendent. The superintendent shall, within thirty 3347  
days after the filing of any such form, disapprove the same ~~if he~~ 3348  
~~finds~~ upon finding that such form contains provisions ~~which~~ that 3349  
are unjust, unfair, inequitable, misleading, or deceptive, 3350  
encourage misrepresentation of the coverage, or are contrary to 3351  
the insurance laws of this state or any rule adopted by ~~him~~ the 3352  
superintendent pursuant to division (C) of this section. When the 3353  
superintendent notifies a company, partnership, or association 3354  
that a form has been disapproved, it shall be unlawful thereafter 3355  
for ~~such~~ the company, partnership, or association to issue or use 3356  
~~such~~ the form. In ~~such~~ the notice, the superintendent shall 3357  
specify the reason for ~~his~~ the disapproval and state that a 3358  
hearing will be granted in twenty days after request in writing. 3359  
No such policy, contract, certificate, application, endorsement, 3360  
or rider shall be issued or used until the expiration of thirty 3361  
days after it has been so filed, unless the superintendent gives 3362  
written approval thereto. The superintendent may, at any time 3363

after a hearing held not less than twenty days after written 3364  
notice to the insurer, withdraw ~~his~~ the approval of any such form 3365  
on any ground set forth in this division. The written notice of 3366  
such hearing shall state the reason for the proposed withdrawal. 3367  
The company, partnership, or association shall not issue ~~such~~ the 3368  
form or use it after the effective date of ~~such~~ the withdrawal. 3369  
Any order or formal determination of the superintendent under this 3370  
division shall be subject to judicial review as provided in 3371  
section 119.12 of the Revised Code. 3372

(C) The superintendent shall have the sole and exclusive 3373  
power and authority to regulate the sale, delivery, and issuance 3374  
for delivery in this state of policies, annuities, and other 3375  
contracts described in division (A) of this section and, subject 3376  
to ~~sections 119.01 to 119.13, inclusive,~~ Chapter 119. of the 3377  
Revised Code, to adopt, amend, and rescind rules necessary to 3378  
discharge ~~his~~ the superintendent's duties and exercise ~~his~~ the 3379  
superintendent's power and authority under ~~sections 3905.20 and~~ 3380  
section 3907.15 of the Revised Code and this section, including, 3381  
but not limited to, the adoption of a definition of a subsidiary 3382  
or affiliated corporation under section 3907.15 of the Revised 3383  
Code. 3384

(D) Except for Chapter 3915. and except as otherwise provided 3385  
in sections ~~3905.20,~~ 3907.15, and 3911.011 of the Revised Code, 3386  
all pertinent provisions of Title XXXIX of the Revised Code apply 3387  
to all policies, annuities, and other contracts providing variable 3388  
or fixed and variable benefits or contractual payments and all 3389  
separate accounts established in connection therewith. The reserve 3390  
liability for such policies, annuities, and contracts shall be 3391  
established in accordance with actuarial procedures that recognize 3392  
the variable nature of the benefits and guarantees provided. 3393

Chapter 1707. of the Revised Code does not apply to any 3394  
3395

policy, annuity, or other contract providing fixed, variable, or 3396  
fixed and variable benefits or contractual payments, ~~which~~ that is 3397  
issued by any company, partnership, or association authorized to 3398  
transact the business of life insurance in this state. 3399

**Sec. 3923.121.** (A) As used in this section: 3400

(1) "Association" means a voluntary unincorporated 3401  
association of insurers formed for the sole purpose of enabling 3402  
cooperative action to provide sickness and accident insurance in 3403  
accordance with this section. 3404

(2) "Insurer" means any insurance company authorized to do 3405  
the business of sickness and accident insurance in this state. 3406

(3) "Insured" means a person covered under a group policy 3407  
issued pursuant to this section. 3408

(B) Any insurer may join with one or more other insurers, in 3409  
an association, to offer, sell, and issue to a policyholder 3410  
selected by the association a policy of group insurance against 3411  
major financial loss from sickness and accident covering residents 3412  
of this state who are sixty-five years of age or older and the 3413  
spouses of such residents. The insurance shall be offered, issued, 3414  
and administered in the name of the association. Membership in the 3415  
association shall be open to any insurer and each insurer which 3416  
participates shall be liable for a specified percentage of the 3417  
risks. The policy may be executed on behalf of the association by 3418  
a duly authorized person and need not be countersigned by an 3419  
agent. 3420

(C) The persons eligible for coverage under the policy shall 3421  
be all residents of this state who are sixty-five years of age or 3422  
older and their spouses, subject to reasonable underwriting 3423  
restrictions to be set forth in the plan of the association. The 3424  
policy may provide basic hospital and surgical coverage, basic 3425



medical coverage, major medical coverage, and any combination of 3426  
these; provided that it shall not be required as a condition for 3427  
obtaining major medical coverage that any basic coverage be taken. 3428

(D) The association shall file with the superintendent of 3429  
insurance any policy, contract, certificate, or other evidence of 3430  
insurance, application, or other forms pertaining to such 3431  
insurance together with the premium rates to be charged therefor. 3432  
The superintendent may approve, disapprove, and withdraw approval 3433  
of the forms in accordance with section 3923.02 of the Revised 3434  
Code, or the premium rates if by reasonable assumptions such rates 3435  
are excessive in relation to the benefits provided. In determining 3436  
whether such rates by reasonable assumptions are excessive in 3437  
relation to the benefits provided the superintendent shall give 3438  
due consideration to past and prospective claim experience, within 3439  
and outside this state, and to fluctuations in such claim 3440  
experience, to a reasonable risk charge, to contribution to 3441  
surplus and contingency funds, to past and prospective expenses, 3442  
both within and outside this state, and to all other relevant 3443  
factors within and outside this state, including any differing 3444  
operating methods of the insurers joining in the issuance of the 3445  
policy. In reviewing the forms the superintendent shall not be 3446  
bound by the requirements of sections 3923.04 to 3923.07 of the 3447  
Revised Code with respect to standard provisions to be included in 3448  
sickness and accident policies or forms. 3449

(E) The association may enroll eligible persons for coverage 3451  
under the policy through any insurance ~~agent~~ producer licensed to 3452  
sell sickness and accident insurance pursuant to Chapter 3905. of 3453  
the Revised Code or ~~section 3905.02, 3905.08, 3905.18, or~~ 3941.02 3454  
of the Revised Code. 3455

(F) The association shall file annually with the 3456  
superintendent on such date and in such form as the superintendent 3457

may prescribe, a financial summary of its operations. 3458

(G) The association may sue and be sued in its associate name 3459  
and for such purposes only shall be treated as a domestic 3460  
corporation. Service of process against the association made upon 3461  
a managing agent, any member thereof, or any agent authorized by 3462  
appointment to receive service of process, shall have the same 3463  
force and effect as if the service had been made upon all members 3464  
of the association. 3465

(H) Under any policy issued as provided in this section, the 3466  
policyholder, or such person as the policyholder shall designate, 3467  
shall alone be a member of each domestic mutual insurance company 3468  
joining in the issue of the policy and shall be entitled to one 3469  
vote by virtue of such policy at the meetings of each such mutual 3470  
insurance company. Notice of the annual meetings of each such 3471  
mutual insurance company may be given by written notice to the 3472  
policyholder or as otherwise prescribed in the policy. 3473

**Sec. 3929.30.** The president or the vice-president and the 3474  
secretary of each insurance company organized under the laws of 3475  
this or any other state and doing business in this state, 3476  
annually, on the first day of January or within sixty days 3477  
thereafter, shall prepare, under oath, and deposit in the office 3478  
of the superintendent of insurance a statement of the condition of 3479  
such company on the next preceding thirty-first day of December. 3480  
The statement shall be submitted on the forms adopted by the 3481  
superintendent pursuant to section ~~3905.29~~ 3901.77 of the Revised 3482  
Code, and shall exhibit the following facts and items: 3483

(A) The amount of the capital stock of the company, 3484  
specifying the amount paid and unpaid; 3485

(B) A detailed statement of all the assets of the company and 3486  
the manner of their investment. 3487

(C) The liabilities of the company, specifying:	3488
(1) The amount of losses due and unpaid;	3489
(2) The amount of claims for losses resisted by the company;	3490
(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;	3491 3492 3493
(4) The amount of dividends declared, due, and unpaid;	3494
(5) The amount of dividends, either cash or scrip, declared but not due;	3495 3496
(6) The amount of money borrowed and the security given for its payment;	3497 3498
(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.	3499 3500 3501 3502 3503 3504 3505 3506 3507 3508 3509
(8) The amount of all other existing claims against the company;	3510 3511
(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	3512 3513 3514 3515 3516 3517

reserving principles.	3518
(D) The income of the company during the preceding year, specifying:	3519 3520
(1) The amount of cash premiums received;	3521
(2) The amount of notes or contingent assets received for premiums;	3522 3523
(3) The amount of interest money received;	3524
(4) The amount of income received from other sources.	3525
(E) The expenditure during the preceding year, specifying:	3526
(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;	3527 3528 3529 3530
(2) The amount of dividends paid during the year;	3531
(3) The amount of expenses paid during the year, including commissions and fees to agents and officers of the company;	3532 3533
(4) The amount paid for taxes;	3534
(5) The amount of all payments and expenditures;	3535
(6) The amount of scrip dividend declared.	3536
<b>Sec. 3931.101.</b> The provisions of <del>sections 3905.01 to 3905.04</del> <u>Chapter 3905.</u> of the Revised Code, relating to the appointment, licensing, qualification and regulation of insurance <del>agents,</del> <u>producers and</u> brokers <del>and solicitors</del> 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	3537 3538 3539 3540 3541 3542 3543 3544 3545

employee are primarily the performance of inspection underwriting, 3546  
loss prevention engineering and claim services shall be exempt 3547  
from this section and shall be regulated solely by section 3931.11 3548  
of the Revised Code. 3549

**Sec. 3931.11.** Every attorney shall certify to the 3550  
superintendent of insurance the names and addresses of the 3551  
attorney's traveling full time salaried non-commission employees, 3552  
primarily engaged in performing underwriting, loss prevention 3553  
engineering and claim services, authorized by the attorney to 3554  
solicit powers of attorney or applications for contracts of 3555  
indemnity specified in section 3931.01 of the Revised Code. The 3556  
authority of such persons shall continue until the first day of 3557  
the next April, unless it is cancelled by the attorney and the 3558  
certificate of such cancellation is filed with the superintendent, 3559  
or unless the license of the attorney or authority of such person 3560  
is revoked or suspended by the superintendent. Expiring 3561  
certificates of authority of such persons may be renewed in like 3562  
manner to continue until the first day of the next April. The 3563  
superintendent shall record the names and addresses of such 3564  
persons so that their names may conveniently be inspected and 3565  
shall thereupon certify and deliver to the attorney a list of the 3566  
names of all persons so recorded. 3567

If the superintendent finds that any such person has 3568  
willfully violated, or failed to comply with, sections 3931.01 to 3569  
3931.12 of the Revised Code, or has been convicted of a felony in 3570  
the United States, or in this or any state, or has been guilty of 3571  
any act or acts ~~which that~~ if performed by an ~~agent~~ insurance 3572  
producer licensed under ~~section 3905.02~~ Chapter 3905. of the 3573  
Revised Code would constitute statutory grounds for the revocation 3574  
of ~~such agent's~~ the producer's license, the superintendent may 3575  
refuse or revoke the authority of the person and cancel the 3576  
person's name on the superintendent's records, and the 3577

superintendent shall thereupon notify the person and the attorney 3578  
of the revocation. Thereafter the person shall not act as 3579  
representative of any attorney until a new certificate of 3580  
authority by the attorney thereafter appointing the person is 3581  
filed with and approved by the superintendent. 3582

No such person shall act for any attorney in placing 3583  
insurance or making such contracts of indemnity, unless the 3584  
attorney has the license required by section 3931.10 of the 3585  
Revised Code, nor unless the unexpired, unrevoked, and unsuspended 3586  
certificate of ~~such~~ the person's authority is filed with the 3587  
superintendent. Any such person shall be individually liable on 3588  
any contract of indemnity made, issued, or accepted through that 3589  
person as representing any attorney who is not licensed by the 3590  
superintendent to make such contracts of indemnity. 3591

**Sec. 3953.21.** (A) Every title insurance company authorized to 3592  
transact business within this state shall certify annually to the 3593  
superintendent of insurance the names of all title insurance 3594  
~~agents~~ producers representing it in this state in accordance with 3595  
section ~~3905.02~~ 3905.20 of the Revised Code. 3596

(B) No bank, trust company, bank and trust company, or other 3597  
lending institution, mortgage service, brokerage, mortgage 3598  
guaranty company, escrow company, real estate company or any 3599  
subsidiaries thereof or any individuals so engaged shall be 3600  
permitted to act as an agent for a title insurance company. 3601

**Sec. 3953.23.** (A) Every title insurance ~~agent~~ producer shall 3602  
keep books of account and record and vouchers pertaining to the 3603  
business of title insurance in such manner that the title 3604  
insurance company may readily ascertain from time to time whether 3605  
the ~~agent~~ producer has complied with this chapter. 3606

(B) A title insurance ~~agent~~ producer may engage in the 3607

business of handling escrows of real property transactions 3608  
directly connected with the business of title insurance, provided 3609  
that the ~~agent~~ producer shall maintain a separate record of all 3610  
receipts and disbursements of escrow funds and shall not commingle 3611  
any such funds with ~~agent's~~ the producer's own funds or with funds 3612  
held by ~~agent~~ the producer in any other capacity; and if at any 3613  
time the superintendent of insurance determines that an ~~agent~~ 3614  
insurance producer has failed to comply with any of the provisions 3615  
of this section, the superintendent may revoke the license of the 3616  
~~agent~~ producer pursuant to section ~~3905.02~~ 3905.14 of the Revised 3617  
Code, subject to review as provided for in Chapter 119. of the 3618  
Revised Code. All ~~agents~~ insurance producers shall be covered by a 3619  
fidelity bond in an amount and with a company satisfactory to the 3620  
principal. 3621

**Sec. 3957.14.** (A) No person shall, except for the renewal of 3622  
an existing home service contract, procure, receive, or forward 3623  
applications for home service contracts unless the person is a 3624  
~~resident of this state who is~~ one of the following: 3625

(1) A real estate licensee as licensed by the real estate 3626  
division of the department of commerce of this state; 3627

(2) An organization or franchisor or licensor of such a real 3628  
estate licensee; 3629

(3) A licensed insurance ~~agent~~ producer for casualty, 3630  
property, or personal lines; 3631

(4) Any other person to whom the superintendent of insurance 3632  
has issued a license to perform such services. The superintendent 3633  
shall not issue such a license unless the person has paid a fee of 3634  
twenty dollars and has been determined by the superintendent to be 3635  
qualified. The superintendent shall issue such a license only if 3636  
the person successfully passes a written examination prescribed by 3637  
the superintendent. 3638

(B) No home warranty company or person acting on behalf of 3639  
such a company under division (A) of this section shall pay to any 3640  
person who is acting as the agent, representative, attorney, or 3641  
employee of the owner or prospective owner of residential property 3642  
with respect to which a home service contract is to be issued, any 3643  
commission or any other consideration, either directly or 3644  
indirectly, as an inducement or compensation for the issuance, 3645  
purchase, or acquisition of a home service contract. A home 3646  
warranty company may reimburse such persons for expenses actually 3647  
incurred in the issuance, sale, advertising, or processing of home 3648  
service contracts or in performing an inspection of residential 3649  
property with respect to which a home service contract is issued. 3650  
No commission shall be paid to any person except a person 3651  
authorized to receive such a commission under this section. In the 3652  
event a commission is paid, no rebates shall be permitted and the 3653  
prohibitions of section 3933.01 of the Revised Code apply. 3654

**Sec. 3960.11.** (A) No person shall act or aid in any manner in 3655  
soliciting, negotiating, or procuring liability insurance in this 3656  
state from a risk retention group unless the person is licensed as 3657  
an insurance ~~agent~~ producer or broker in accordance with ~~section~~ 3658  
~~3905.02 or 3905.30~~ Chapter 3905. of the Revised Code. 3659

(B) No person shall act or aid in any manner in soliciting, 3660  
negotiating, or procuring liability insurance in this state for a 3661  
purchasing group from an authorized insurer or a risk retention 3662  
group chartered in a state unless the person is licensed as an 3663  
insurance ~~agent~~ producer or broker in accordance with ~~section~~ 3664  
~~3905.02 or 3905.30~~ Chapter 3905. of the Revised Code. 3665

(C) No person shall act or aid in any manner in soliciting, 3666  
negotiating, or procuring liability insurance coverage in this 3667  
state for any member of a purchasing group under a purchasing 3668  
group's policy unless the person is licensed as an insurance ~~agent~~ 3669



producer or broker in accordance with ~~section 3905.02 or 3905.30~~ 3670  
Chapter 3905. of the Revised Code. 3671

(D) No person shall act or aid in any manner in soliciting, 3672  
negotiating, or procuring liability insurance from an insurer not 3673  
authorized to do business in this state on behalf of a purchasing 3674  
group located in this state unless the person is licensed as a 3675  
surplus line broker in accordance with section 3905.30 of the 3676  
Revised Code. 3677

**Sec. 5703.052.** There is hereby created in the state treasury 3678  
the tax refund fund, from which refunds shall be paid for taxes 3679  
illegally or erroneously assessed or collected, or for any other 3680  
reason overpaid, that are levied by Chapter 4301., 4305., 5728., 3681  
5729., 5733., 5735., 5739., 5741., 5743., 5747., 5748., 5749., or 3682  
5753., and sections 3737.71, ~~3905.35~~, 3905.36, 4303.33, 5707.03, 3683  
5725.18, 5727.28, 5727.38, 5727.81, and 5727.811 of the Revised 3684  
Code. Refunds for fees illegally or erroneously assessed or 3685  
collected, or for any other reason overpaid, that are levied by 3686  
sections 3734.90 to 3734.9014 of the Revised Code also shall be 3687  
paid from the fund. However, refunds for taxes levied under 3688  
section 5739.101 of the Revised Code shall not be paid from the 3689  
tax refund fund, but shall be paid as provided in section 5739.104 3690  
of the Revised Code. 3691

Upon certification by the tax commissioner to the treasurer 3692  
of state of a tax refund, fee refund, or tax credit due, or by the 3693  
superintendent of insurance of a domestic or foreign insurance tax 3694  
refund, the treasurer of state may place the amount certified to 3695  
the credit of the fund. The certified amount transferred shall be 3696  
derived from current receipts of the same tax or the fee for which 3697  
the refund arose or, in the case of a tax credit refund, from the 3698  
current receipts of the taxes levied by sections 5739.02 and 3699  
5741.02 of the Revised Code. 3700

If the tax refund arises from a tax payable to the general revenue fund, and current receipts from that source are inadequate to make the transfer of the amount so certified, the treasurer of state may transfer such certified amount from current receipts of the sales tax levied by section 5739.02 of the Revised Code.

**Section 2.** That existing sections 1514.02, 1751.38, 2927.27, 3901.021, 3901.51, 3901.62, 3903.81, 3905.012, 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, 3905.36, 3905.41, 3905.47, 3905.481, 3905.482, 3905.483, 3905.484, 3905.486, 3905.49, 3905.491, 3905.50, 3905.52, 3905.55, 3905.72, 3905.83, 3905.84, 3905.841, 3905.85, 3905.851, 3905.86, 3905.861, 3905.862, 3905.87, 3905.88, 3905.89, 3905.90, 3905.91, 3905.92, 3905.921, 3905.93, 3905.931, 3905.932, 3905.933, 3905.934, 3905.94, 3905.941, 3905.99, 3907.19, 3909.06, 3911.011, 3923.121, 3929.30, 3931.101, 3931.11, 3953.21, 3953.23, 3957.14, 3960.11, and 5703.052 and sections 3905.01, 3905.011, 3905.013, 3905.02, 3905.03, 3905.04, 3905.06, 3905.07, 3905.08, 3905.15, 3905.16, 3905.17, 3905.18, 3905.19, 3905.20, 3905.21, 3905.22, 3905.23, 3905.32, 3905.35, 3905.40, 3905.48, 3905.492, 3905.51, and 3905.54 of the Revised Code are hereby repealed.

**Section 3.** Sections 1 and 2 of this act shall take effect six months after the effective date of this act.