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SENATORS Nein, Austria

REPRESENTATIVES Stapleton, Salerno, G. Smith, Olman, Calvert, Flannery,
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Blasdel, Setzer, Hartnett, Allen, Schmidt, D. Miller, Coates, Driehaus, Cates,
Hoops, Collier, Clancy, Strahorn, Key, Woodard, Brown, DeBose

A B I L L

To amend sections 1751.38, 3901.021, 3901.19, 3901.22, 1
3901.51, 3901.62, 3903.81, 3905.012, 3905.03, 2
3905.06, 3905.09, 3905.11, 3905.12, 3905.13, 3
3905.14, 3905.181, 3905.24, 3905.25, 3905.26, 4
3905.27, 3905.28, 3905.29, 3905.30, 3905.31, 5
3905.34, 3905.36, 3905.41, 3905.47, 3905.482, 6
3905.483, 3905.484, 3905.486, 3905.49, 3905.491, 7
3905.492, 3905.50, 3905.52, 3905.72, 3905.85, 8
3905.861, 3905.89, 3905.94, 3905.99, 3907.19, 9
3909.06, 3911.011, 3923.121, 3929.30, 3931.101, 10
3931.11, 3933.04, 3953.21, 3953.23, 3957.14, 11
3960.03, and 3960.11; to amend, for the purpose of 12
adopting new section numbers as indicated in 13
parentheses, sections 3905.012 (3905.16), 3905.03 14
(3905.10), 3905.06 (3905.29), 3905.09 (3901.78), 15
3905.11 (3901.781), 3905.12 (3901.782), 3905.13 16
(3901.783), 3905.14 (3901.784), 3905.181 17
(3905.182), 3905.24 (3901.74), 3905.25 (3901.75), 18
3905.26 (3905.40), 3905.27 (3905.41), 3905.28 19
(3901.76), 3905.29 (3901.77), 3905.41 (3901.86), 20
3905.47 (3905.49), 3905.49 (3905.14), 3905.491 21

(3905.15), 3905.492 (3905.24), and 3905.52 22
(3905.401); to enact new sections 3905.01, 3905.02, 23
3905.03, 3905.04, 3905.06, 3905.07, 3905.08, 24
3905.09, 3905.11, 3905.12, 3905.18, 3905.181, 25
3905.20, 3905.21, 3905.22, 3905.26, and 3905.28 and 26
sections 3901.211, 3905.041, 3905.05, 3905.061, 27
3905.071, 3905.072, 3905.081, 3905.201, 3905.211, 28
and 3905.212; and to repeal sections 3905.01, 29
3905.011, 3905.013, 3905.02, 3905.04, 3905.07, 30
3905.08, 3905.15, 3905.16, 3905.17, 3905.18, 31
3905.19, 3905.20, 3905.21, 3905.22, 3905.23, 32
3905.40, 3905.48, 3905.51, and 3905.54 of the 33
Revised Code to adopt the Insurance Producer's 34
Licensing Act and to prohibit certain unfair trade 35
practices by persons that lend money or extend 36
credit. 37

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

Section 1. That sections 1751.38, 3901.021, 3901.19, 3901.22, 38
3901.51, 3901.62, 3903.81, 3905.012, 3905.03, 3905.06, 3905.09, 39
3905.11, 3905.12, 3905.13, 3905.14, 3905.181, 3905.24, 3905.25, 40
3905.26, 3905.27, 3905.28, 3905.29, 3905.30, 3905.31, 3905.34, 41
3905.36, 3905.41, 3905.47, 3905.482, 3905.483, 3905.484, 3905.486, 42
3905.49, 3905.491, 3905.492, 3905.50, 3905.52, 3905.72, 3905.85, 43
3905.861, 3905.89, 3905.94, 3905.99, 3907.19, 3909.06, 3911.011, 44
3923.121, 3929.30, 3931.101, 3931.11, 3933.04, 3953.21, 3953.23, 45
3957.14, 3960.03, and 3960.11 be amended; sections 3905.012 46
(3905.16), 3905.03 (3905.10), 3905.06 (3905.29), 3905.09 47
(3901.78), 3905.11 (3901.781), 3905.12 (3901.782), 3905.13 48
(3901.783), 3905.14 (3901.784), 3905.181 (3905.182), 3905.24 49
(3901.74), 3905.25 (3901.75), 3905.26 (3905.40), 3905.27 50
(3905.41), 3905.28 (3901.76), 3905.29 (3901.77), 3905.41 51

(3901.86), 3905.47 (3905.49), 3905.49 (3905.14), 3905.491
(3905.15), 3905.492 (3905.24), and 3905.52 (3905.401) be amended
for the purpose of adopting new section numbers as indicated in
parentheses; and new sections 3905.01, 3905.02, 3905.03, 3905.04,
3905.06, 3905.07, 3905.08, 3905.09, 3905.11, 3905.12, 3905.18,
3905.181, 3905.20, 3905.21, 3905.22, 3905.26, and 3905.28 and
sections 3901.211, 3905.041, 3905.05, 3905.061, 3905.071,
3905.072, 3905.081, 3905.201, 3905.211, and 3905.212 of the
Revised Code be enacted to read as follows:

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

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

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

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

those expenses defined under section 3901.07 of the Revised Code 82
shall be paid from the department of insurance operating fund. 83

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Sec. 3901.19. As used in sections 3901.19 to 3901.26 of the 85
Revised Code: 86

(A) "Person" means any individual, corporation, association, 87
partnership, reciprocal exchange, inter-insurer, fraternal benefit 88
society, title guarantee and trust company, health insuring 89
corporation, and any other legal entity. 90

(B) "Residents" includes any individual, partnership, or 91
corporation. 92

(C) "Maternity benefits" means those benefits calculated to 93
indemnify the insured for hospital and medical expenses fairly and 94
reasonably associated with a pregnancy and childbirth. 95

(D) "Insurance" includes, but is not limited to, any policy 96
or contract offered, issued, sold, or marketed by an insurer, 97
corporation, association, organization, or entity regulated by the 98
superintendent of insurance or doing business in this state. 99
Nothing in any other section of the Revised Code shall be 100
construed to exclude single premium deferred annuities from the 101
regulation of the superintendent under sections 3901.19 to 3901.26 102
of the Revised Code. 103

(E) "Affiliate" means any company that controls, is 104
controlled by, or is under common control with, another company. 105

(F) "Customer" means an individual who purchases, applies to 106
purchase, or is solicited to purchase insurance products primarily 107
for personal, family, or household purposes. 108

(G) "Depository institution" means a bank, savings bank, 109
savings and loan association, or credit union that is subject to 110
regulation or supervision by the United States or any state. 111

"Depository institution" does not include an insurance company. 112

(H) "Insurance agent" or "agent" has the same meaning as in section 3905.01 of the Revised Code. 113
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(I) "Insurer" has the same meaning as in section 3901.32 of the Revised Code. 115
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(J) "Policy" or "certificate" means a contract of insurance, indemnity, medical, health or hospital service, suretyship, or annuity issued, proposed for issuance, or intended for issuance by any insurer. 117
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Sec. 3901.211. (A)(1) No person may require as a condition precedent to the lending of money or the extension of credit, or any renewal thereof, that the person to whom such money or credit is extended or whose obligation a creditor is to acquire or finance, negotiate any policy or renewal thereof through a particular insurer or group of insurers or agent or group of agents. 121
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(2) No person may reject an insurance policy solely because the policy has been issued or underwritten by a person that is not associated with the person, or an affiliate of the person, rejecting the policy. 128
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(B) No person that lends money or extends credit may do any of the following: 132
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(1) As a condition for extending credit or offering any product or service that is equivalent to an extension of credit, require that a customer obtain insurance from a depository institution or an affiliate of a depository institution, or from a particular insurer, agent, or other person. However, this provision does not prohibit a person from informing a customer or prospective customer that insurance is required in order to obtain a loan or credit, that loan or credit approval is contingent upon 134
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the procurement by the customer of acceptable insurance, or that 142
insurance is available from the person or an affiliate of that 143
person. 144

(2) Unreasonably reject a policy furnished by the customer or 145
borrower for the protection of the property securing the credit or 146
lien. A rejection shall not be deemed unreasonable if it is based 147
on reasonable standards, uniformly applied. Such standards may 148
include, but are not limited to, standards relating to the extent 149
of coverage required and the financial soundness and services of 150
an insurer. Such standards shall not discriminate against any 151
particular type of insurer, nor shall such standards call for the 152
rejection of a policy because it contains coverage in addition to 153
that required in the credit transaction. 154

(3) Require that any customer, borrower, mortgagor, 155
purchaser, insurer, broker, or agent pay a separate charge in 156
connection with the handling of any policy required as security 157
for a loan on real estate or pay a separate charge to substitute 158
the policy of one insurer for that of another. Division (B)(3) of 159
this section does not apply to the interest that may be charged on 160
premium loans or premium advancements in accordance with the terms 161
of the loan or credit document. Division (B)(3) of this section 162
does not apply to required charges when the person or an affiliate 163
of that person is the licensed agent providing the insurance. 164

(4) Require any procedures or conditions of duly licensed 165
agents or insurers not customarily required of the agents or 166
insurers affiliated, or in any way connected, with the person that 167
lends money or extends credit; 168

(5) Use an advertisement or other insurance promotional 169
material that would cause a reasonable person to mistakenly 170
believe that the federal government or the state is responsible 171
for the insurance sales activity of, or stands behind the credit 172
of, the person, depository institution, or an affiliate of the 173

person or depository institution; 174

(6) Use an advertisement or other insurance promotional 175
material that would cause a reasonable person to mistakenly 176
believe that the federal government or the state guarantees any 177
return on insurance products or is a source of payment on any 178
insurance obligation of or sold by the person or an affiliate of 179
the person; 180

(7) Pay or receive any commission, brokerage fee, or other 181
compensation as an agent, unless the person holds a valid agent's 182
license for the applicable class of insurance. However, an 183
unlicensed person may make a referral to a licensed agent, 184
provided that the person does not discuss specific insurance 185
policy terms and conditions. The unlicensed person may be 186
compensated for the referral; however, in the case of a referral 187
of a customer, the unlicensed person may be compensated only if 188
the compensation is a fixed dollar amount for each referral that 189
does not depend on whether the customer purchases the insurance 190
product from the licensed agent. Further, any person that accepts 191
deposits from the public in an area where such transactions are 192
routinely conducted in the depository institution may receive for 193
each customer referral no more than a one-time, nominal fee of a 194
fixed dollar amount that does not depend on whether the referral 195
results in a transaction. 196

(8) Solicit or sell insurance, other than credit insurance or 197
flood insurance, unless the solicitation or sale is completed 198
through documents separate from any credit transactions; 199

(9) Include the expense of insurance premiums, other than 200
credit insurance premiums or flood insurance premiums, in the 201
primary credit transaction without the express written consent of 202
the customer. 203

(C)(1) If an application for a loan or extension of credit is 204
pending before a person that lends money or extends credit and 205

that also solicits insurance primarily for personal, family, or 206
household purposes in connection with that loan or extension of 207
credit, that person shall disclose to the customer, in writing, 208
that the insurance related to the credit extension may be 209
purchased from an insurer or agent of the customer's choice, 210
subject only to the lender's right to reject a given insurer or 211
agent as provided in division (B)(2) of this section. Further, the 212
disclosure shall inform the customer that the customer's choice of 213
an insurer or agent will not affect the credit decision or credit 214
terms in any way, except that the person lending money or 215
extending credit may impose reasonable requirements as provided in 216
division (B)(2) of this section. 217

(2) If an application for a loan or extension of credit is 218
pending before a person that lends money or extends credit and 219
that also solicits insurance primarily for personal, family, or 220
household purposes in connection with that loan or extension of 221
credit, that person shall obtain a written acknowledgement of the 222
receipt of the disclosure at the time the customer receives the 223
disclosure or at the time of the initial purchase of the insurance 224
policy. If the solicitation is conducted by telephone, the person 225
shall obtain an oral acknowledgement of receipt of the disclosure, 226
maintain sufficient documentation to show that the acknowledgement 227
was given by the customer, and make reasonable efforts to obtain a 228
written acknowledgement from the customer. If a customer 229
affirmatively consents to receiving the disclosures electronically 230
and the disclosures are provided in a format that the customer may 231
retain or obtain later, the person may provide the disclosure and 232
obtain acknowledgement of the receipt of the disclosure from the 233
customer using electronic media. 234

(3) This division does not apply to the offering or sale of 235
limited line credit insurance as defined in section 3905.01 of the 236
Revised Code. 237

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

(a) Is not a deposit;

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

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

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

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

acknowledgement of the receipt of the disclosure from the customer 269
using electronic media. 270

(3) For purposes of divisions (D)(1) and (2) of this section, 271
an affiliate of a depository institution is subject to these 272
requirements only to the extent that it sells, solicits, 273
advertises, or offers insurance products or annuities at an office 274
of a depository institution or on behalf of a depository 275
institution. These requirements apply only when an individual 276
purchases, applies to purchase, or is solicited to purchase 277
insurance products or annuities primarily for personal, family, or 278
household purposes and only to the extent that a disclosure would 279
be accurate. 280

(4) For purposes of division (D)(1) of this section, a person 281
is selling, soliciting, advertising, or offering insurance on 282
behalf of a depository institution, whether at an office of the 283
depository institution or another location, if at least one of the 284
following applies: 285

(a) The person represents to the customer that the sale, 286
solicitation, advertisement, or offer of insurance is by or on 287
behalf of the depository institution; 288

(b) The depository institution refers a customer to the 289
person that sells insurance and the depository institution has a 290
contractual arrangement to receive commissions or fees derived 291
from the sale of insurance resulting from the referral; 292

(c) Documents evidencing the sale, solicitation, 293
advertisement, or offer of insurance identify or refer to the 294
depository institution. 295

(E) Nothing in this section shall prevent a person that lends 296
money or extends credit from placing insurance on real or personal 297
property in the event the mortgagor, borrower, or purchaser has 298
failed to provide required insurance in accordance with the terms 299

of the loan or credit document. 300

(F)(1) A violation of this section is an unfair and deceptive 301
act or practice in the business of insurance under sections 302
3901.19 to 3901.26 of the Revised Code. 303

(2) Any person subject to this section shall, upon reasonable 304
notice, make available to the superintendent of insurance all 305
books and records relating to insurance transactions. 306
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Sec. 3901.22. (A) The superintendent of insurance may conduct 308
hearings to determine whether violations of section 3901.20 of the 309
Revised Code have occurred. Any person aggrieved with respect to 310
any act that the person believes to be an unfair or deceptive act 311
or practice in the business of insurance, as defined in section 312
3901.21 or 3901.211 of the Revised Code or in any rule of the 313
superintendent ~~of insurance~~, may make written application to the 314
superintendent for a hearing to determine if there has been a 315
violation of section 3901.20 of the Revised Code. The application 316
shall specify the grounds to be relied upon by the applicant. If 317
the superintendent finds that the application is made in good 318
faith, that the applicant would be so aggrieved if ~~his~~ the 319
applicant's grounds are established, and that such grounds 320
otherwise justify holding such a hearing, ~~he~~ the superintendent 321
shall hold a hearing to determine whether the act specified in the 322
application is a violation of section 3901.20 of the Revised Code. 323
Notice of any hearing held under the authority of this section, 324
the conduct of the hearing, the orders issued pursuant to it, the 325
review of the orders and all other matters relating to the holding 326
of the hearing shall be governed by Chapter 119. of the Revised 327
Code. 328

(B) Upon good cause shown, the superintendent shall permit 329
any person to intervene, appear, and be heard at the hearing, 330

either in person or by counsel. 331

(C) The superintendent shall send a copy of the order to 332
those persons intervening in the hearing. 333

(D) If the superintendent, by written order, finds ~~in his~~ 334
~~written order~~ that any person has violated section 3901.20 of the 335
Revised Code, ~~he~~ the superintendent shall issue an order requiring 336
that person to cease and desist from engaging in the violation. In 337
addition, the superintendent may impose any or all of the 338
following administrative remedies upon the person: 339

(1) ~~He~~ The superintendent may suspend or revoke ~~his~~ the 340
person's license to engage in the business of insurance; 341

(2) ~~He~~ The superintendent may order that an insurance company 342
or insurance agency not employ the person or permit the person to 343
serve as a director, consultant, or in any other capacity for such 344
time as the superintendent determines would serve the public 345
interest. No application for termination of such an order for an 346
indefinite time shall be filed within two years of its effective 347
date. 348

(3) ~~He~~ The superintendent may order ~~such~~ the person to return 349
any payments received by ~~such~~ the person as a result of the 350
violation; 351

(4) If the superintendent issues an order pursuant to 352
division (D)(3) of this section, ~~he~~ the superintendent shall order 353
~~such~~ the person to pay statutory interest on such payments. 354

If the superintendent does not issue orders pursuant to 355
divisions (D)(3) and (4) of this section, ~~he~~ the superintendent 356
shall expressly state in the cease-and-desist order ~~his~~ the 357
reasons for not issuing such orders. 358

(5) ~~He~~ The superintendent may order ~~such~~ the person to pay to 359
the state treasury for credit to the department's operating fund 360

an amount, not in excess of one hundred thousand dollars, equal to 361
one-half of the expenses reasonably incurred by the superintendent 362
to retain attorneys, actuaries, accountants, and other experts not 363
otherwise a part of the superintendent's staff to assist directly 364
in the conduct of any investigations and hearings conducted with 365
respect to violations committed by ~~such~~ the person. 366

(E) If the superintendent has reasonable cause to believe 367
that an order issued pursuant to division (D) of this section has 368
been violated in whole or in part, ~~he~~ the superintendent may, 369
unless such order is stayed by a court of competent jurisdiction, 370
request the attorney general to commence and prosecute any 371
appropriate action or proceeding in the name of the state against 372
~~such~~ the person. 373

Such action may include, but need not be limited to, the 374
commencement of a class action under Civil Rule 23 on behalf of 375
policyholders, subscribers, applicants for policies or contracts, 376
or other insurance consumers for damages caused by or unjust 377
enrichment received as a result of the violation. 378

(F) In addition to any penalties imposed pursuant to this 379
chapter, the court may, in an action brought pursuant to division 380
(E) of this section, impose any of the following: 381

(1) For each act or practice found to be in violation of 382
section 3901.20 of the Revised Code, a civil penalty of not more 383
than three thousand five hundred dollars for each violation but 384
not to exceed an aggregate penalty of thirty-five thousand dollars 385
in any six-month period, provided that a series of similar acts or 386
practices prohibited by section 3901.20 of the Revised Code and 387
committed by the same person but not in separate insurance sales 388
transactions shall be considered a single violation; 389

(2) For each violation of a cease and desist order issued by 390
the superintendent pursuant to this section, a civil penalty of 391
not more than ten thousand dollars; 392

(3) In addition to any other appropriate relief, the court 393
may order any or all of the remedies specified in division (D) of 394
this section. 395

(G) The superintendent, under a settlement agreement to which 396
a person has consented in writing for the purpose of assuring the 397
person's correction of a series of offenses and future compliance 398
with the laws of this state relating to the business of insurance, 399
may impose a single penalty in whatever amount the parties 400
determine to be justified under the circumstances. 401

(H) A court of common pleas, in a civil action commenced by 403
the attorney general on behalf of the superintendent under Civil 404
Rule 65, may grant a temporary restraining order, preliminary 405
injunction, or permanent injunction to restrain or prevent a 406
violation or threatened violation of any provision of section 407
3901.20 of the Revised Code, if the court finds that the defendant 408
has violated, is violating, or is threatening to violate such 409
provision, that immediate and irreparable injury, loss, or damage 410
will result if such relief is not granted, and that no adequate 411
remedy at law exists to prevent such irreparable injury, loss, or 412
damage. 413

(I) If the superintendent's position in initiating a matter 414
in controversy pursuant to this section and section 3901.221 of 415
the Revised Code was not substantially justified, upon motion of 416
the person who prevailed in the hearing or in the appropriate 417
court, if an adjudication order was appealed or a civil action was 418
commenced, the superintendent or the court shall order the 419
department of insurance to pay such person an amount, not in 420
excess of one hundred thousand dollars, equal to one-half of the 421
expenses reasonably incurred by ~~such~~ the person in connection with 422
the related proceedings. An award pursuant to this division may be 423
reduced or denied if special circumstances make an award unjust or 424

if ~~such~~ the person engaged in conduct that unduly and unreasonably 425
protracted the final resolution of the matter in controversy. If 426
the department does not pay such award or no such funds are 427
available, the award shall be treated as if it were a judgment 428
under Chapter 2743. of the Revised Code and be payable in 429
accordance with the procedures specified in section 2743.19 of the 430
Revised Code, except that interest shall not be paid in relation 431
to the award. 432

Sec. 3901.51. As used in sections 3901.51 to 3901.55 of the 433
Revised Code: 434

(A) "Clearing corporation" has the same meaning as in section 435
1308.01 of the Revised Code, except that with respect to 436
securities issued by institutions organized or existing under the 437
laws of any foreign country or securities used to meet the deposit 438
requirements pursuant to the laws of a foreign country as a 439
condition of doing business in that country, "clearing 440
corporation" includes a corporation that is organized or existing 441
under the laws of any foreign country and is legally qualified 442
under those laws to effect transactions in securities by 443
computerized book-entry. 444

(B) "Direct participant" means a bank, trust company, or 445
other entity that maintains an account in its name in a clearing 446
corporation and through which an insurance company participates in 447
a clearing corporation. 448

(C) "Federal reserve book-entry system" means the 449
computerized systems sponsored by the United States department of 450
the treasury and agencies and instrumentalities of the United 451
States for holding and transferring securities of the United 452
States government and agencies and instrumentalities in federal 453
reserve banks through banks that are members of the federal 454
reserve system or that otherwise have access to these computerized 455

systems.

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(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.

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

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

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

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

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

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entity is located. 486

(3) The reinsurance is ceded to an assuming insurer that 487
maintains a trust fund in a qualified United States financial 488
institution, as defined in division (B)(2) of section 3901.63 of 489
the Revised Code, for the payment of the valid claims of its 490
United States policyholders and ceding insurers, and their assigns 491
and successors in interest. 492

(B) A trust maintained by an assuming insurer under division 493
(A)(3) of this section shall meet the following requirements: 494

(1) In the case of a single assuming insurer, the trust shall 495
consist of a trustee account representing the assuming insurer's 496
liabilities attributable to business underwritten in the United 497
States. A trustee surplus of not less than twenty million dollars 498
shall be maintained by the assuming insurer. 499

(2) In the case of a group of assuming insurers, including 500
incorporated and individual unincorporated underwriters, the trust 501
shall consist of a trustee account representing the group's 502
liabilities attributable to business written in the United States. 503
A trustee surplus shall be maintained by the group, of which 504
surplus one hundred million dollars shall be held jointly for the 505
benefit of the United States ceding insurers of any member of the 506
group. The following requirements apply to the group of assuming 507
insurers: 508

(a) The incorporated members of the group shall not engage in 509
any business other than underwriting as a member of the group, and 510
shall be subject to the same level of solvency regulation and 511
control by the group's domiciliary regulator as are the 512
unincorporated members. 513

(b) The group shall make available to the superintendent of 514
insurance an annual certification of the solvency of each 515
underwriter in the group. The certification shall be provided by 516

the group's domiciliary regulator and its independent public 517
accountants. 518

(3) In the case of a group of incorporated insurers under 519
common administration with aggregate policyholders' surplus of ten 520
billion dollars that has continuously transacted an insurance 521
business outside the United States for at least three years 522
immediately prior to assuming reinsurance, the trust shall be in 523
an amount equal to the group's several liabilities attributable to 524
business ceded by United States ceding insurers to any member of 525
the group pursuant to reinsurance contracts issued in the name of 526
the group. A joint trusted surplus shall be maintained by the 527
group, of which surplus one hundred million dollars shall be held 528
jointly for the benefit of United States ceding insurers of any 529
member of the group as additional security for any such 530
liabilities. The following requirements apply to the group of 531
incorporated insurers: 532

(a) The group shall comply with all filing requirements 533
contained in this section. 534

(b) The books and records of the group shall be subject to 535
examination by the superintendent in the same manner as the books 536
and records of insurers are subject to examination by the 537
superintendent in accordance with section 3901.07 of the Revised 538
Code. The group shall bear the expenses of these examinations in 539
the manner provided by that section. 540

(c) Each member of the group shall make available to the 541
superintendent an annual certification of the member's solvency by 542
the member's domiciliary regulator and an independent public 543
accountant. 544

(C) A trust maintained by an assuming insurer under division 545
(A)(3) of this section shall remain in effect for as long as the 546
assuming insurer has outstanding obligations due under the 547

reinsurance agreements subject to the trust. The trust shall be in
a form approved by the superintendent and shall include the
following:

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

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

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

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

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

(F) An assuming insurer shall file a written instrument

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

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

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Sec. ~~3905.25~~ 3901.75. When any insurance company or
corporation other than life, which company or corporation has made

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a deposit with the superintendent of insurance, intends to 610
discontinue its business in this state, the superintendent, upon 611
the application of ~~such~~ the company or corporation, shall give 612
notice at its expense of such intention at least once a week for 613
six weeks in three newspapers of general circulation in the state. 614

After such publication, the superintendent shall deliver to 615
~~such~~ the company or association its securities held by ~~him~~ the 616
superintendent, if ~~he~~ the superintendent is satisfied by the 617
affidavits of the principal officers of the company, and on an 618
examination made by ~~him~~ the superintendent or by some competent, 619
disinterested person appointed by ~~him~~ the superintendent if ~~he~~ the 620
superintendent deems it necessary, that all liabilities and 621
obligations which ~~said~~ the deposit has been made to secure have 622
been paid and extinguished. The superintendent may deliver to ~~such~~ 623
the company or its assigns, under like condition, any portion of 624
~~such~~ the securities on being satisfied that an equal proportion of 625
~~said~~ the liabilities and obligations have been satisfied, if the 626
amount of securities retained by ~~him~~ the superintendent is not 627
less than twice the amount of the remaining liabilities and 628
obligations. 629

Sec. ~~3905.28~~ 3901.76. As used in this section, "securities" 630
means the stocks, bonds, debentures, and other assets subject from 631
time to time to valuation by the committee on valuation of 632
securities of the national association of insurance commissioners. 633

For the purpose of enabling the superintendent of insurance 634
to secure the analyses, reports, and information developed by the 635
committee on valuation of securities of the national association 636
of insurance commissioners and to pay for such information by 637
cooperating with other states in defraying the expenses of ~~such~~ 638
the committee in the investigation, analysis, and valuation of 639
securities and the determination of amortizability of bonds owned 640
by life insurance companies for the purpose of furnishing to the 641

several states on a uniform basis the information needed in the 642
supervision of insurance companies licensed to transact business 643
in the several states, there is hereby created in the state 644
treasury the security valuation expense fund. 645

The superintendent may collect and disburse, in cooperation 646
with supervisory officials of other states, the moneys obtained 647
through assessments as provided in this section. All moneys which 648
are paid into the fund shall be used only for the purpose of this 649
section. 650

The superintendent may contract with the committee to make 651
available to the department of insurance the analyses, reports, 652
and information developed by the committee and, after taking into 653
consideration similar payments ~~which~~ that may be made by other 654
states, may make payment to ~~such~~ the committee to the extent 655
authorized by this section, on account of the expenses of the 656
committee, from the fund. 657

The superintendent shall periodically obtain from the 658
committee a verified budget estimate of the receipts and of the 659
expenses to be incurred by the committee for a stated period, not 660
exceeding one year, with appropriate explanations of the estimates 661
therein contained. 662

If the superintendent is satisfied as to the reasonableness 663
of ~~such~~ the budget estimate, ~~he~~ the superintendent shall determine 664
the portion of the moneys required by ~~such~~ the budget estimate, to 665
be assessed as provided in this section, by deducting from ~~such~~ 666
the budget estimate or from the sum of two hundred fifty thousand 667
dollars, whichever is less, any amounts received or receivable by 668
the committee from states with laws that do not substantially 669
conform to the method of assessment provided in this section and 670
applying to the remainder the proportion ~~which~~ that the total 671
investments in securities of domestic life insurers bear to the 672
total investments in securities of life insurers domiciled in this 673

and other states with laws that authorize and require assessments 674
on substantially the same basis as provided in this section. The 675
superintendent shall thereafter, as soon as convenient, by notice 676
stating the method of computation thereof, assess the amount to be 677
paid on account of such expenses, pro rata upon all domestic life 678
insurers in the proportion ~~which~~ that the total investments in 679
securities of each domestic life insurer bear to the total 680
investments in securities of all domestic life insurers. The total 681
investments in securities of any life insurer for purposes of this 682
section shall be the total admitted value of the securities 683
reported as such in its annual statement last filed prior to such 684
assessment with the department or with the supervisory officials 685
of its state of domicile. Upon receipt of ~~such~~ the notice each 686
domestic life insurance company shall within thirty days 687
thereafter pay the amount of the assessment to the superintendent, 688
who shall deposit the amount in the state treasury to the credit 689
of the fund. The superintendent shall make such disbursements from 690
the fund in amounts and at the times determined by the 691
superintendent under ~~his~~ the superintendent's contract with the 692
committee. 693

The superintendent shall require annually, and at such other 694
times as ~~he~~ the superintendent considers ~~it~~ necessary or 695
advisable, a duly certified audit of receipts and disbursements 696
and statement of assets and liabilities, showing the details of 697
the financial operations of the committee. 698

Sec. 3905.29 3901.77. (A) The superintendent of insurance 699
shall adopt the forms, instructions, and manuals prescribed by the 700
national association of insurance commissioners, for the 701
preparation and filing of statutory financial statements and other 702
financial information. However, the superintendent may by rule 703
adopt modifications to ~~such~~ the prescribed forms, instructions, 704
and manuals as ~~he~~ the superintendent considers necessary. 705

(B) For circumstances not addressed by the forms, 706
instructions, and manuals prescribed by the national association 707
of insurance commissioners, the superintendent may determine 708
accounting practices and methods for purposes of preparing 709
statutory financial statements and other financial information. 710

(C) The superintendent shall furnish each domestic insurance 711
company a printed copy of the forms for the filing of statutory 712
financial statements and other financial information required to 713
be made by it. 714

Sec. ~~3905.09~~ 3901.78. Upon the filing of each of its annual 715
statements, or as soon thereafter as practicable, the 716
superintendent of insurance shall issue to each insurance company 717
or association authorized to do business in this state a 718
certificate that it has complied with the laws of this state. Such 719
certificate of compliance shall also contain a statement of the 720
amounts of the paid-up capital stock, assets, liabilities, income, 721
and expenditures of the company or association for the preceding 722
year, as shown by its annual statement for that year. The 723
superintendent shall issue to each newly-applying company or 724
association ~~which he~~ that the superintendent finds should be 725
authorized to do business in this state, a certificate that it has 726
complied with the laws of this state, which certificate shall 727
contain a statement of the amounts of its paid-up capital stock, 728
assets, liabilities, income, and expenditures as shown by a 729
financial statement submitted by it, under the oath of its 730
officers. 731

Sec. ~~3905.11~~ 3901.781. Annually, and before the time of 732
making its report to the superintendent of insurance as required 733
by section ~~3905.12~~ 3901.782 of the Revised Code, each insurance 734
company and association not incorporated under the laws of this 735
state shall publish its certificate of compliance in every county 736

where it has an agency, in a newspaper published and of general 737
circulation in such county. 738

No newspaper shall be deemed a newspaper of general 739
circulation unless it has been established for at least one year, 740
is printed in the English language, and has a circulation in the 741
county in which it is published as follows: 742

(A) In a county having at the last preceding federal census a 743
population of not more than thirty thousand, a circulation of six 744
hundred; 745

(B) In a county having a population of over thirty thousand 746
and not more than fifty thousand, a circulation of eight hundred; 747

(C) In a county having a population of over fifty thousand 748
and not more than one hundred thousand, a circulation of twelve 749
hundred; 750

(D) In a county having a population of over one hundred 751
thousand and not more than one hundred fifty thousand, a 752
circulation of two thousand; 753

(E) In counties having a population of more than one hundred 754
fifty thousand, a circulation of three thousand. 755

Before publication of any certificate of compliance, the 756
manager, editor, or proprietor of a newspaper shall certify under 757
oath on a prepared blank, furnished ~~him~~ the manager, editor, or 758
proprietor on application by the superintendent ~~of insurance~~, the 759
information prescribed in this section for determining whether it 760
is a newspaper of general circulation, and if such affidavit shows 761
that the newspaper is one of general circulation, the 762
superintendent shall deliver to ~~him~~ the manager, editor, or 763
proprietor a certificate that such newspaper is one of general 764
circulation. 765

Sec. 3905.12 3901.782. On or before the first day of October 766

of each year, each insurance company and association doing 767
business in this state, which company or association is not 768
incorporated under the laws thereof, shall file with the 769
superintendent of insurance, upon blanks prepared and upon 770
application furnished by ~~him~~ the superintendent, a report in 771
writing under oath of its president and secretary showing the 772
counties in which publication of its certificate of authority to 773
do business was made, the counties in which it had agencies at the 774
time of such publication, and the names of the newspapers in which 775
the publication was made, with a copy of the certificate so 776
published attached thereto. 777

Sec. ~~3905.13~~ 3901.783. If any insurance company or 778
association mentioned in section ~~3905.12~~ 3901.782 of the Revised 779
Code fails to comply with the laws relating to the publication of 780
the certificate mentioned in ~~such that~~ section, the superintendent 781
of insurance shall suspend its authority to do business in any 782
county ~~where such~~ in which the publication has not been made, 783
until ~~such the~~ the publication is made, but if it appears that ~~such~~ 784
the publication has not been made in any county through mistake or 785
oversight, such authority shall not be suspended in the county if 786
~~such the~~ the publication is made within a time designated by the 787
superintendent. 788

Sec. ~~3905.14~~ 3901.784. Publication of a certificate of 789
compliance in a newspaper shall not be approved by the 790
superintendent of insurance unless prior to ~~such the~~ the publication 791
~~he the superintendent~~ has certified that ~~such the~~ the newspaper is one 792
published and of general circulation in the county, but if 793
publication has been made in any such newspaper without ~~such the~~ 794
certification and a report filed as required by section ~~3905.12~~ 795
3901.782 of the Revised Code, and ~~such the~~ the certificate of the 796
superintendent is procured within the time ~~he the superintendent~~ 797

designates, publication in ~~such~~ the newspaper shall be approved. 798
The superintendent shall keep a book in which shall be recorded 799
the names of the newspapers so certified as newspapers of general 800
circulation, which book shall be open to inspection, and every 801
such certificate of circulation shall remain in force until 802
revoked, provided that the superintendent may demand further 803
certificates as to the circulation of any such newspaper. 804

Sec. ~~3905.41~~ 3901.86. (A) When the laws of any other state, 805
district, territory, or nation impose any taxes, fines, penalties, 806
license fees, deposits of money, securities, or other obligations 807
or prohibitions on insurance companies of this state doing 808
business in ~~such~~ that state, district, territory, or nation, or 809
upon their agents therein, the same obligations and prohibitions 810
shall be imposed upon insurance companies of ~~such~~ the other state, 811
district, or nation doing business in this state and upon their 812
agents. 813

When the laws of any other state, district, territory, or 814
nation impose a requirement for countersignature and payment of a 815
fee or commission upon agents of this state for placing any 816
coverage in that state, district, territory, or nation, then the 817
same requirements of countersignature and fee or commission shall 818
be imposed upon agents of that state, district, territory, or 819
nation for placing any coverage in this state. 820

(B) Beginning on ~~the effective date of this amendment~~ July 1, 821
1993, twenty per cent of the amount that is collected under 822
division (A) of this section from foreign insurance companies that 823
sell fire insurance to residents of this state shall be paid into 824
the state fire marshal's fund created under section 3737.71 of the 825
Revised Code. The director of commerce, with the approval of the 826
director of budget and management, may increase the percentage 827
described in this division so that it will yield an amount that 828
the director of commerce determines necessary to assist in the 829

maintenance and administration of the office of the fire marshal 830
and in defraying the costs of operating the Ohio fire academy 831
established by section 3737.33 of the Revised Code. 832

Sec. 3903.81. As used in sections 3903.81 to 3903.93 of the 833
Revised Code: 834

(A) "Adjusted RBC report" means an RBC report that has been 835
adjusted by the superintendent of insurance in accordance with 836
division (C) of section 3903.82 of the Revised Code. 837

(B) "Authorized control level RBC" means the number 838
determined under the risk-based capital formula in accordance with 839
the RBC instructions. 840

(C) "Company action level RBC" means the product of 2.0 and 841
an insurer's authorized control level RBC. 842

(D) "Corrective order" means an order issued by the 843
superintendent of insurance in accordance with division (B)(3) of 844
section 3903.84 of the Revised Code specifying corrective actions 845
that the superintendent has determined are required. 846

(E) "Domestic insurer" means any insurance company organized 847
under Chapter 3907. or 3925. of the Revised Code. 848

(F) "Foreign insurer" means any insurance company licensed 849
under section 3909.01 or 3927.01 of the Revised Code. 850

(G) "Life or health insurer" means any insurance company 851
licensed under section 3907.08 or 3909.01 of the Revised Code, or 852
a company possessing a certificate of authority pursuant to 853
section 3929.01 of the Revised Code that writes only accident and 854
health insurance. 855

(H) "Mandatory control level RBC" means the product of .70 856
and an insurer's authorized control level RBC. 857

(I) "NAIC" means the national association of insurance 858

commissioners. 859

(J) "Negative trend" means a negative trend over a period of 860
time for a life or health insurer as determined in accordance with 861
the trend test calculation included in the RBC instructions. 862

(K) "Property and casualty insurer" means any insurance 863
company that has a certificate of authority pursuant to section 864
3929.01 of the Revised Code. "Property and casualty insurer" does 865
not include monoline mortgage guarantee insurers, financial 866
guarantee insurers, or title insurers. 867

(L) "RBC" means risk based capital. 868

(M) "RBC instructions" means the RBC report, including 869
risk-based capital instructions, as adopted by the NAIC and as 870
amended by the NAIC from time to time in accordance with the 871
procedures adopted by the NAIC. However, no NAIC amendment to the 872
RBC instructions shall become effective until the superintendent 873
has adopted by rule the RBC instructions as so amended. "RBC 874
instructions" shall also include any modifications adopted by the 875
superintendent, as the superintendent considers to be necessary. 876

(N) "RBC level" means an insurer's company action level RBC, 877
regulatory action level RBC, authorized control level RBC, or 878
mandatory control level RBC. 879

(O) "RBC plan" means a comprehensive financial plan 880
containing the elements specified in division (B) of section 881
3903.83 of the Revised Code. 882

(P) "Revised RBC plan" means an RBC plan rejected by the 883
superintendent of insurance and then revised by an insurer with or 884
without incorporating the superintendent of insurance's 885
recommendation. 886

(Q) "RBC report" means the report required by section 3903.82 887
of the Revised Code. 888

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

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

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

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

Sec. 3905.01. As used in this chapter:

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

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

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

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

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

the Revised Code. 918

(F) "License" means the authority issued by the 919
superintendent to a person to act as an insurance agent for the 920
lines of authority specified, but that does not create any actual, 921
apparent, or inherent authority in the person to represent or 922
commit an insurer. 923

(G) "Limited line credit insurance" means credit life, credit 924
disability, credit property, credit unemployment, involuntary 925
unemployment, mortgage life, mortgage guaranty, mortgage 926
disability, guaranteed automobile protection insurance, or any 927
other form of insurance offered in connection with an extension of 928
credit that is limited to partially or wholly extinguishing that 929
credit obligation and that is designated by the superintendent as 930
limited line credit insurance. 931

(H) "Limited line credit insurance agent" means a person that 932
sells, solicits, or negotiates one or more forms of limited line 933
credit insurance to individuals through a master, corporate, 934
group, or individual policy. 935

(I) "Limited lines insurance" means those lines of authority 936
set forth in divisions (B)(7) to (10) of section 3905.06 of the 937
Revised Code or in rules adopted by the superintendent, or any 938
lines of authority the superintendent considers necessary to 939
recognize for purposes of complying with section 3905.072 of the 940
Revised Code. 941

(J) "Limited lines insurance agent" means a person authorized 942
by the superintendent to sell, solicit, or negotiate limited lines 943
insurance. 944

(K) "NAIC" means the national association of insurance 945
commissioners. 946

(L) "Negotiate" means to confer directly with, or offer 947
advice directly to, a purchaser or prospective purchaser of a 948

particular contract of insurance with respect to the substantive 949
benefits, terms, or conditions of the contract, provided the 950
person that is conferring or offering advice either sells 951
insurance or obtains insurance from insurers for purchasers. 952

(M) "Person" means an individual or a business entity. 953

(N) "Sell" means to exchange a contract of insurance by any 954
means, for money or its equivalent, on behalf of an insurer. 955

(O) "Solicit" means to attempt to sell insurance, or to ask 956
or urge a person to apply for a particular kind of insurance from 957
a particular insurer. 958

(P) "Superintendent" or "superintendent of insurance" means 959
the superintendent of insurance of this state. 960

(Q) "Terminate" means to cancel the relationship between an 961
insurance agent and the insurer or to terminate an insurance 962
agent's authority to transact insurance. 963

(R) "Uniform application" means the NAIC uniform application 964
for resident and nonresident agent licensing, as amended by the 965
NAIC from time to time. 966

(S) "Uniform business entity application" means the NAIC 967
uniform business entity application for resident and nonresident 968
business entities, as amended by the NAIC from time to time. 969

Sec. 3905.02. No person shall sell, solicit, or negotiate 970
insurance in this state unless the person is licensed for that 971
line of authority in accordance with this chapter. 972

Sec. 3905.03. (A) Section 3905.02 of the Revised Code does 973
not apply to any of the following: 974

(1) Any insurer. For purposes of this division, "insurer" 975
does not include an insurer's officers, directors, employees, 976

subsidiaries, or affiliates. 977

(2) Any officer, director, or employee of an insurer or of an insurance agent, provided the officer, director, or employee does not receive any commission on policies written or sold to insure risks residing, located, or to be performed in this state and any of the following applies: 978
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(a) The activities of the officer, director, or employee are executive, administrative, managerial, clerical, or any combination thereof, and are only indirectly related to the sale, solicitation, or negotiation of insurance. 983
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(b) The function of the officer, director, or employee relates to underwriting, loss control, inspection, or the processing, adjusting, investigation, or settling of a claim on a contract of insurance. 987
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(c) The officer, director, or employee is acting in the capacity of a special agent or agency supervisor, provided the activities of the officer, director, or employee are limited to providing technical advice and assistance to licensed insurance agents and do not include the sale, solicitation, or negotiation of insurance. 991
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(3) Any person who secures and furnishes information for purposes of group life insurance, group property and casualty insurance, group annuities, or group or blanket accident and health insurance, or for purposes of enrolling individuals under plans, issuing certificates under plans, or otherwise assisting in administering plans, or who performs administrative services related to mass marketed property and casualty insurance, provided that no commission is paid to the person for any of the services described in this division; 997
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(4) Any employer or association, any officer, director, or employee of an employer or association, or any trustee of an 1006
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employee trust plan, to the extent that any such person is engaged 1008
in the administration or operation of an employee benefits program 1009
for the employer's or association's own employees or for the 1010
employees of its subsidiaries or affiliates, if both of the 1011
following apply: 1012

(a) The employee benefits program involves the use of 1013
insurance contracts issued by an insurer. 1014

(b) The employer, association, officer, director, employee, 1015
or trustee is not in any manner compensated, either directly or 1016
indirectly, by the insurer issuing the insurance contracts. 1017

(5) Any employee of an insurer or of an organization employed 1018
by an insurer, if the employee is engaged in the inspection, 1019
rating, or classification of risks or in the supervision of the 1020
training of insurance agents, and is not individually engaged in 1021
the sale, solicitation, or negotiation of insurance; 1022

(6) Any person whose activities in this state are limited to 1024
advertising through communications in printed publications or in 1025
the electronic mass media, the distribution of which is not 1026
limited to residents of this state, if the person does not sell, 1027
solicit, or negotiate insurance covering risks residing, located, 1028
or to be performed in this state; 1029

(7) Any person who is not a resident of this state and who 1030
sells, solicits, or negotiates a contract of insurance covering 1031
commercial property and casualty risks located in more than one 1032
state, if the person is licensed as an insurance agent to sell, 1033
solicit, or negotiate that insurance contract in the state where 1034
the insured maintains its principal place of business and the 1035
contract insures risks located in that state; 1036

(8) Any salaried full-time employee who counsels or advises 1037
the employee's employer with respect to the insurance interests of 1038

the employer or of the employer's subsidiaries or business 1039
affiliates, if the employee does not sell or solicit insurance or 1040
receive a commission; 1041

(9) Any employee of an insurer or of an insurance agent who, 1042
at the direction of the insurer or agent, performs any of the 1043
following activities: 1044

(a) The acceptance of premiums other than the initial 1045
premium; 1046

(b) The gathering of information, such as names, addresses, 1047
expiration dates of current insurance, and names of current 1048
insurers; 1049

(c) The setting of appointments for insurance agents, 1050
provided that the individual setting the appointment does not 1051
communicate any information about insurance; 1052

(d) The servicing of existing insurance policies issued by or 1053
through the employee's employer, provided the servicing is not 1054
part of a solicitation; 1055

(e) The performance of clerical or ministerial duties. 1056

(10) Any employee of a creditor with respect to limited line 1057
credit insurance products, as long as the employee of the creditor 1058
is not paid by, and does not receive a fee, commission, or any 1059
other form of compensation from, an insurance agent or insurance 1060
company. 1061

(B) The superintendent of insurance may adopt rules in 1062
accordance with Chapter 119. of the Revised Code to set forth the 1063
specific acts the performance of which either require or do not 1064
require licensure as an insurance agent. 1065

Sec. 3905.04. (A) Except as otherwise provided in section 1066
3905.041 of the Revised Code, a resident individual applying for 1067

an insurance agent license for any of the lines of authority 1068
described in division (B) of this section shall take a written 1069
examination. The examination shall test the knowledge of the 1070
individual with respect to the lines of authority for which 1071
application is made, the duties and responsibilities of an 1072
insurance agent, and the insurance laws of this state. Before 1073
admission to the examination, each individual shall pay the 1074
nonrefundable fee required under division (D) of section 3905.40 1075
of the Revised Code. 1076

(B) The examination described in division (A) of this section 1077
shall be required for the following lines of authority: 1078

(1) Any of the lines of authority set forth in divisions 1079
(B)(1) to (6) of section 3905.06 of the Revised Code; 1080

(2) Title insurance; 1081

(3) Surety bail bonds as provided in sections 3905.83 to 1082
3905.95 of the Revised Code; 1083

(4) Any other line of authority designated by the 1084
superintendent of insurance. 1085

(C) An individual shall not be permitted to take the 1086
examination described in division (A) of this section unless one 1087
or both of the following apply: 1088

(1) The individual has earned a bachelor's or associate's 1089
degree in insurance from an accredited institution. 1090

(2) The individual has completed, for each line of authority 1091
for which the individual has applied, twenty hours of study in a 1092
program of insurance education approved by the superintendent, in 1093
consultation with the insurance agent education advisory council, 1094
under criteria established by the superintendent. Division (C) of 1095
this section does not apply with respect to title insurance or any 1096
other line of authority designated by the superintendent. 1097

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1099 (D) An individual who fails to appear for an examination as
1100 scheduled, or fails to pass an examination, may reapply for the
1101 examination if the individual pays the required fee and submits
1102 any necessary forms prior to being rescheduled for the
1103 examination.

1104 (E)(1) The superintendent may, in accordance with Chapter
1105 119. of the Revised Code, adopt any rule necessary for the
1106 implementation of this section.

1107 (2) The superintendent may make any necessary arrangements,
1108 including contracting with an outside testing service, for the
1109 administration of the examinations and the collection of the fees
1110 required by this section.

1111 **Sec. 3905.041.** (A)(1) An individual who applies for a
1112 resident insurance agent license in this state within ninety days
1113 after establishing a principal place of residence or principal
1114 place of business in this state shall not be required under
1115 section 3905.04 of the Revised Code to complete a program of
1116 insurance education or to pass a written examination if either of
1117 the following applies:

1118 (a) The individual is currently licensed in another state and
1119 is in good standing for the line or lines of authority requested.
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1121 (b) The individual was previously licensed in another state,
1122 the individual's application for a resident insurance agent
1123 license in this state is received within ninety days after the
1124 cancellation of the individual's previous license, and, at the
1125 time of license cancellation, the individual was in good standing
1126 for the line or lines of authority requested.

1127 (2) To determine an applicant's licensure and standing status

in another state, the superintendent of insurance may utilize the
producer database maintained by the NAIC or its affiliates or
subsidiaries. If that information is not available on the producer
database, the superintendent may require a certification letter
from the prior home state.

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

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

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

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The applicant shall also request a criminal records check
conducted by the superintendent of the bureau of criminal
identification and investigation in accordance with section
109.572 of the Revised Code, or other governmental agencies, or
other sources, as required and designated by the superintendent of
insurance, and direct that the responses to that request be
transmitted to the superintendent of insurance, or to the
superintendent's designee. If the superintendent of insurance or
the superintendent's designee fails to receive a response to a
requested criminal records check, or if the applicant fails to

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request the criminal records check, the superintendent may refuse 1159
to issue a license under this section. The applicant shall pay any 1160
fee required for conducting the criminal records check. 1161

(B) A business entity acting as an insurance agent shall 1162
apply for a resident insurance agent license by submitting to the 1163
superintendent of insurance the uniform business entity 1164
application or any other application prescribed by the 1165
superintendent. 1166

(C) The superintendent may require an applicant to submit any 1167
document reasonably necessary to verify the information contained 1168
in an application. 1169

Sec. 3905.06. (A)(1) The superintendent of insurance shall 1170
issue a resident insurance agent license to an individual 1171
applicant whose home state is Ohio, if the superintendent finds 1172
all of the following: 1173

(a) The applicant is at least eighteen years of age. 1174

(b) The applicant has not committed any act that is a ground 1175
for the denial, suspension, or revocation of a license under 1176
section 3905.14 of the Revised Code. 1177

(c) If required under section 3905.04 of the Revised Code, 1178
the applicant has completed a program of insurance education for 1179
each line of authority for which the applicant has applied. 1180

(d) If required under section 3905.04 of the Revised Code, 1181
the applicant has passed an examination for each line of authority 1182
for which the applicant has applied. 1183

(e) The applicant is of good reputation and character, is 1184
honest and trustworthy, and is otherwise suitable to be licensed. 1185

(2) The superintendent shall issue a resident insurance agent 1186
license to a business entity applicant if the superintendent finds 1187

all of the following: 1188

(a) The applicant either is domiciled in Ohio or maintains its principal place of business in Ohio. 1189
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(b) The applicant has designated a licensed insurance agent who will be responsible for the applicant's compliance with the insurance laws of this state. 1191
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(c) The applicant has not committed any act that is a ground for the denial, suspension, or revocation of a license under section 3905.14 of the Revised Code. 1194
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(B) An insurance agent license issued pursuant to division (A) of this section shall state the licensee's name, the license number, the date of issuance, the date the license expires, the line or lines of authority for which the licensee is qualified, and any other information the superintendent deems necessary. 1197
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A licensee may be qualified for any of the following lines of authority: 1202
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(1) Life, which is insurance coverage on human lives, including benefits of endowment and annuities, and may include benefits in the event of death or dismemberment by accident and benefits for disability income; 1204
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(2) Accident and health, which is insurance coverage for sickness, bodily injury, or accidental death, and may include benefits for disability income; 1208
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(3) Property, which is insurance coverage for the direct or consequential loss or damage to property of any kind; 1211
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(4) Casualty, which is insurance coverage against legal liability, including coverage for death, injury, or disability or damage to real or personal property; 1213
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(5) Variable life and variable annuity products, which is insurance coverage provided under variable life insurance 1216
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<u>contracts and variable annuities;</u>	1218
<u>(6) Personal lines, which is property and casualty insurance coverage sold to individuals and families for noncommercial purposes;</u>	1219 1220 1221
<u>(7) Credit, which is limited line credit insurance;</u>	1222
<u>(8) Title, which is insurance coverage against loss or damage suffered by reason of liens against, encumbrances upon, defects in, or the unmarketability of, real property;</u>	1223 1224 1225
<u>(9) Surety bail bond, which is the authority set forth in sections 3905.83 to 3905.95 of the Revised Code;</u>	1226 1227
<u>(10) Any other line of authority designated by the superintendent.</u>	1228 1229
<u>(C) A resident insurance agent license shall be perpetual unless surrendered by the licensee or suspended or revoked by the superintendent.</u>	1230 1231 1232
Sec. 3905.061. <u>(A) If a person licensed as an insurance agent under section 3905.06 of the Revised Code changes the person's address within the state, the person shall, within thirty days after making that change, file a change of address with the superintendent of insurance.</u>	1233 1234 1235 1236 1237
<u>(B)(1) If a person licensed as an insurance agent under section 3905.06 of the Revised Code changes the person's state of residence, the person shall, within thirty days after making that change, file a change of address with the superintendent and provide the superintendent with certification from the new state of residence.</u>	1238 1239 1240 1241 1242 1243
<u>(2) If an insurance agent complies with division (B)(1) of this section, the agent's license shall be changed to that of a nonresident license and no fee or license application shall be required.</u>	1244 1245 1246 1247

Sec. 3905.07. (A) The superintendent of insurance shall issue 1248
a nonresident insurance agent license to an applicant that is a 1249
nonresident person if the superintendent finds all of the 1250
following: 1251

(1) The applicant is currently licensed as a resident and is 1252
in good standing in the applicant's home state. 1253

(2) The applicant has submitted the request for licensure 1254
prescribed by the superintendent. 1255

(3) The applicant has submitted or has had transmitted to the 1256
superintendent the application for licensure that the applicant 1257
submitted to the applicant's home state or a completed uniform 1258
application or uniform business entity application, as applicable. 1259
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(4) The applicant has not committed any act that is a ground 1261
for the denial, suspension, or revocation of a license under 1262
section 3905.14 of the Revised Code. 1263

(5) The applicant is of good reputation and character, is 1264
honest and trustworthy, and is otherwise suitable to be licensed. 1265

(6) The applicant's home state issues nonresident insurance 1266
agent licenses to residents of this state on the same basis as set 1267
forth in division (A) of this section. 1268

(B) To determine an applicant's licensure and standing status 1269
in another state, the superintendent may utilize the producer 1270
database maintained by the NAIC or its affiliates or subsidiaries. 1271
If that information is not available on the producer database, the 1272
superintendent may require a certification letter from the 1273
applicant's home state. 1274

(C) A nonresident insurance agent license shall be perpetual 1275
unless surrendered by the licensee or suspended or revoked by the 1276
superintendent. 1277

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

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

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

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

Sec. 3905.072. Notwithstanding any other provision of this chapter, the superintendent of insurance shall issue to a nonresident person licensed as a limited line credit insurance agent or other type of limited lines insurance agent in the person's home state a nonresident limited lines insurance agent license in accordance with division (A) of section 3905.07 of the Revised Code, with the same scope of authority as the person has

under the license issued by the person's home state. However, the 1308
recognition of a limited lines authority under this section shall 1309
not create any new line of authority. 1310

For purposes of this section, "limited lines insurance" means 1311
any authority granted by the home state that is less than the 1312
total authority provided in the associated major lines set forth 1313
in divisions (B)(1) to (6) of section 3905.06 of the Revised Code. 1314
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Sec. 3905.08. (A) The superintendent of insurance shall waive 1316
all requirements under this chapter for a nonresident applicant 1317
with a valid license from the applicant's home state, except the 1318
requirements set forth in sections 3905.07 to 3905.072 of the 1319
Revised Code, if the applicant's home state awards nonresident 1320
agent licenses to residents of this state on the same basis. 1321
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(B) A nonresident insurance agent's satisfaction of the 1323
continuing education requirements for insurance agents of the 1324
agent's home state shall constitute satisfaction of the continuing 1325
education requirements for insurance agents of this state as set 1326
forth in section 3905.481 of the Revised Code. 1327

Sec. 3905.081. Notwithstanding any other provision of this 1328
chapter, the superintendent of insurance may waive any licensing 1329
requirement for nonresident persons that the superintendent 1330
determines is in violation of the reciprocity requirements set 1331
forth in section 321 of the "Financial Services Modernization Act 1332
of 1999," 113 Stat. 1338, 15 U.S.C.A. 6751. 1333

Sec. 3905.09. (A) The superintendent of insurance may issue a 1334
temporary insurance agent license to any of the following persons 1335
if the superintendent determines that the license is necessary for 1336

the servicing of insurance business: 1337

(1) The surviving spouse or court-appointed personal 1338
representative of a licensed insurance agent who dies or becomes 1339
mentally or physically disabled, to allow adequate time for the 1340
sale of the insurance business owned by the agent or for the 1341
recovery or return of the agent to the business, or to provide for 1342
the training and licensing of new personnel to operate the agent's 1343
business; 1344

(2) A member or employee of a business entity licensed as an 1345
insurance agent, upon the death or disability of the sole or 1346
remaining licensed insurance agent; 1347

(3) The designee of a licensed insurance agent entering 1348
active service in the United States armed forces; 1349

(4) Any other person if the superintendent determines that 1350
the public interest will best be served by the issuance of the 1351
license. 1352

(B) A temporary license issued under division (A) of this 1353
section shall remain in force for a period not to exceed one 1354
hundred eighty days. However, a temporary license may not continue 1355
in force under any of the circumstances described in division (A) 1356
of this section after the owner of the business or the owner's 1357
personal representative disposes of the business. 1358

(C) The superintendent may, by order, limit the authority of 1359
any temporary license in any way deemed necessary to protect 1360
insureds and the public. The superintendent may also, by order, 1361
rescind a temporary license if the interests of insureds or the 1362
public are endangered. 1363

(D) A temporary licensee shall be sponsored by a licensed 1364
insurance agent or insurer, which sponsor shall be responsible for 1365
all acts of the licensee. The superintendent may impose any other 1366

requirement on temporary licensees that the superintendent 1367
considers necessary to protect insureds and the public. 1368

(E) Chapter 119. of the Revised Code shall not apply to the 1369
issuance, restriction, or rescission of a temporary license under 1370
this section. 1371

~~Sec. 3905.03~~ 3905.10. (A) Any property, casualty, personal, 1372
or title agent authorized qualified and licensed as provided in 1373
~~section 3905.02 of the Revised Code~~ this chapter, and appointed to 1374
represent one or more insurance corporations within this state, 1375
may appoint as many solicitors as the agent desires to represent 1376
the agent and the agent's agency, but the solicitors shall not 1377
represent themselves, by advertisement or otherwise, as agents of 1378
insurance companies for which their employer may be the authorized 1379
agent, and the solicitors shall in all instances represent 1380
themselves only as solicitors for the agent. 1381

~~Each agent that employs a person as~~ (1) To be eligible for 1382
appointment, a solicitor ~~shall certify to the superintendent of~~ 1383
~~insurance that the person is competent, financially responsible,~~ 1384
~~and suitable to represent the agent. Upon written notice by any~~ 1385
~~such agent that the agent has employed a person as a solicitor,~~ 1386
~~the superintendent shall issue to the solicitor an appointment in~~ 1387
~~the form prepared by the superintendent, if the superintendent is~~ 1388
~~satisfied that:~~ 1389

~~(1) The solicitor is a suitable person and intends to hold~~ 1390
~~self out in good faith as a solicitor.~~ 1391

~~(2) The solicitor is honest and trustworthy.~~ 1392

~~(3) The solicitor has training or instruction in the business~~ 1393
~~and understands the duties and obligations of a solicitor.~~ 1394

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~~(4) The solicitor is~~ shall be qualified and licensed as a 1396

~~property, casualty, personal, or title agent under section 3905.02 1397~~
~~of the Revised Code, is familiar with the insurance laws, this 1398~~
~~chapter and ~~is~~ be familiar with the provisions of the policies and 1399~~
~~contracts of insurance the solicitor proposes to solicit. 1400~~

~~(5) It is not the solicitor's purpose or intention 1401~~
~~principally to solicit or place insurance on the solicitor's own 1402~~
~~property or that of relatives, employers, or employees or that for 1403~~
~~which they or the solicitor is agent, custodian, vendor, bailee, 1404~~
~~trustee, or payee. 1405~~

~~(6) On and after July 1, 1987, the solicitor has completed 1406~~
~~the prelicensing educational requirements set forth in section 1407~~
~~3905.48 of the Revised Code. 1408~~

~~Notice shall be upon a form furnished by the superintendent 1409~~
~~and shall be accompanied by a statement under oath by the 1410~~
~~solicitor which gives the solicitor's name, age, residence, 1411~~
~~present occupation, the solicitor's occupation for the five years 1412~~
~~next preceding the date of the notice, the kinds of insurance the 1413~~
~~solicitor wishes to solicit, and such other information as the 1414~~
~~superintendent requires, upon a blank furnished by the 1415~~
~~superintendent. 1416~~

~~(2) An agent qualified and licensed to sell accident and 1417~~
~~health insurance may appoint a solicitor to solicit accident and 1418~~
~~health insurance only if both of the following apply: 1419~~

~~(a) The solicitor is qualified and licensed as an accident 1420~~
~~and health insurance agent. 1421~~

~~(b) The solicitor solicits only accident and health insurance 1422~~
~~products that are issued and underwritten by an insurer that is 1423~~
~~authorized to write accident and health insurance and that holds a 1424~~
~~certificate of authority granted under section 3929.01 of the 1425~~
~~Revised Code. 1426~~

~~(B) If the solicitor within the preceding two years has not 1427~~

~~been licensed in this state as an insurance agent for other than 1428
life insurance under section 3905.02 of the Revised Code, the 1429
solicitor shall submit to an examination as to the qualifications 1430
set forth in divisions (A)(1) to (5) of this section. 1431~~

~~(C) A solicitor who did not hold a license as solicitor prior 1432
to January 1, 1967, may be appointed only if the solicitor is 1433
qualified for the same class or classes of insurance for which the 1434
agent employing the solicitor is licensed. A solicitor may solicit 1435
only those lines of insurance for which both the solicitor and the 1436
appointing agent are licensed. No solicitor shall be appointed by 1437
more than one agent. 1438~~

Unless the solicitor's license is revoked or suspended by the 1439
superintendent of insurance, such appointment may, in the 1440
discretion of the superintendent, and at the request of the agent 1441
who employs the solicitor and the payment of the required fee, be 1442
continued past the thirtieth day of June next after its issue and 1443
after the thirtieth day of June each succeeding year. Each agent 1444
shall certify to the superintendent, before the thirtieth day of 1445
June each year, the names and addresses of the solicitors the 1446
agent has employed during the preceding year, indicating those for 1447
whom the agent wishes appointments to be continued. 1448

The agent giving written notice shall pay to the 1449
superintendent a fee of twenty dollars for every such appointment 1450
and for each continuance thereof. The issuance of a solicitor's 1451
appointment shall be limited to a natural person. 1452

Sec. 3905.11. An insurance agent that intends to do business 1453
in this state under any name other than the agent's legal name 1454
shall notify the superintendent of insurance prior to using the 1455
assumed name. 1456

Sec. 3905.12. (A) The superintendent of insurance may adopt 1457

rules in accordance with Chapter 119. of the Revised Code to do 1458
the following: 1459

(1) Establish procedures for the issuance and renewal of 1460
insurance agent licenses; 1461

(2) Provide for the issuance of limited authority licenses, 1462
and establish any prelicensing education, examination, or 1463
continuing education requirements the superintendent considers 1464
appropriate for such a license. 1465

(B) To assist the superintendent in carrying out the 1466
superintendent's duties under this chapter, the superintendent may 1467
contract with any nongovernmental entity, including the NAIC and 1468
its affiliates or subsidiaries, to perform any ministerial 1469
function related to insurance agent licensing, including the 1470
collection of fees, that the superintendent considers to be 1471
appropriate. 1472

Sec. ~~3905.49~~ 3905.14. (A) As used in this section sections 1473
3905.14 to 3905.16 of the Revised Code: 1474

(1) "Insurer" has the same meaning as in section 3901.32 of 1475
the Revised Code "Insurance agent" includes a limited lines 1476
insurance agent, surety bail bond agent, and surplus line broker. 1477

(2) "Refusal to issue or renew" means the decision of the 1478
superintendent of insurance not to process either the initial 1479
application for a license as an agent or the renewal of such a 1480
license. 1481

(3) "Revocation" means the permanent termination of all 1482
authority to hold any license as an agent in this state. 1483

(4) "Surrender for cause" means the voluntary termination of 1484
all authority to hold any license as an agent in this state, in 1485
lieu of a revocation or suspension order. 1486

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

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

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

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

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

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

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

- (5) ~~Knowingly~~ Intentionally misrepresenting the terms, 1518
benefits, value, cost, or effective dates of any actual or 1519
proposed insurance ~~policy, contract, or bond~~ application for 1520
insurance; 1521
- (6) ~~Being~~ Having been convicted of a felony; 1522
- (7) ~~Being~~ Having been convicted of a misdemeanor that 1523
involves the misuse or theft of money or property belonging to 1524
another, fraud, forgery, dishonest acts, or breach of a fiduciary 1525
duty, ~~or~~ that is based on any act or omission relating to the 1526
business of insurance, securities, or financial services, or that 1527
involves moral turpitude; 1528
- (8) ~~Committing an~~ Having admitted to committing, or having 1529
been found to have committed, any insurance unfair trade act or 1530
practice ~~under any section of Title XXXIX of the Revised Code or~~ 1531
~~any rule adopted thereunder~~ insurance fraud; 1532
- (9) Using fraudulent, coercive, or dishonest practices, or 1533
demonstrating incompetence, untrustworthiness, or financial 1534
irresponsibility, in the conduct of business in this state or 1535
elsewhere; 1536
- (10) Having an insurance agent license, or its equivalent, 1537
denied, suspended, or revoked in any other state, province, 1538
district, or territory; 1539
- ~~(10)~~(11) Forging or causing the forgery of ~~another's name to~~ 1540
an application for insurance or any document related to or used in 1541
an insurance transaction; 1542
- ~~(11)~~ ~~Possessing or~~ (12) Improperly using notes or any 1543
unauthorized materials during a licensing or continuing education 1544
examination or cheating on a licensing or continuing education 1545
other reference material to complete an examination for an 1546
insurance agent license; 1547

(12) (13) <u>Knowingly accepting insurance business from an individual who is not licensed;</u>	1548
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<u>(14) Failing to comply with any administrative or court order directing payment of state income tax;</u>	1550
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<u>(15) Failing to timely submit an application for insurance.</u>	1552
<u>For purposes of division (B)(15) of this section, a submission is considered timely if it occurs within the time period expressly provided for by the insurer, or within seven days after the insurance agent accepts a premium or an order to bind coverage from a policyholder or applicant for insurance, whichever is later.</u>	1553
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<u>(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;</u>	1559
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(13) (17) <u>Having any professional license suspended or revoked as a result of a mishandling of funds or breach of fiduciary responsibilities or having been subject to a cease and desist order or permanent injunction for unlicensed activities;</u>	1564
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(14) (18) <u>Causing or permitting a policyholder or applicant for insurance to designate the person insurance agent or the person's insurance agent's spouse, parent, child, or sibling as the beneficiary of a policy or annuity sold by the person insurance agent, unless the person insurance agent or a relative of the person insurance agent is the insured or applicant;</u>	1568
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(15) (19) <u>Failing to provide a written response to the department of insurance within thirty twenty-one calendar days after receipt of any written inquiry from the department, unless a reasonable extension of time has been requested of, and granted by, the superintendent;</u>	1574
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~~(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;~~ 1579
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~~(17)~~(20) Transferring or placing insurance with an insurer other than the insurer expressly chosen by the applicant for insurance or policyholder without the consent of the applicant or policyholder or absent extenuating circumstances; 1582
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~~(18) Engaging in any fraudulent, dishonest, or coercive practice in connection with the business of insurance;~~ 1586
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~~(19)~~(21) Failing to inform a policyholder or applicant for insurance of the identity of the insurer or insurers, or the identity of any other insurance agent, ~~general agent, surplus line broker,~~ or licensee known to be involved in procuring, placing, or continuing the insurance for the policyholder or applicant, upon the binding of the coverage; 1588
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~~(20)~~(22) In the case of an agent that is a ~~corporation, limited liability company, or partnership~~ business entity, failing to report an individual licensee's violation to the department when the violation was known or should have been known by one or more of the partners, officers, managers, or members of the ~~corporation, limited liability company, or partnership~~ business entity; 1594
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~~(21)~~(23) Submitting or using a document in the conduct of the business of insurance when the person knew or should have known that the document contained the forged signature of another person; 1601
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~~(22)~~(24) Misrepresenting the person's qualifications or using in any way a professional designation that has not been conferred upon the person by the appropriate accrediting organization; 1605
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~~(23)~~(25) Obtaining a premium loan or causing a premium loan 1609

to be made to or in the name of an insured without that person's 1610
knowledge and written authorization; 1611

~~(24) Failing to notify the superintendent of any disciplinary 1612
action taken by the insurance authority of another state, within 1613
sixty days after the action was taken, as required by section 1614
3905.54 of the Revised Code;~~ 1615

~~(25) Failing to file any of the reports or notices required 1616
under this chapter;~~ 1617

~~(26) Submitting an application for insurance, or causing the 1618
issuance of an insurance policy or contract, on behalf of an 1619
applicant who did not request or authorize the insurance. Division 1620
(B)(26) of this section does not apply to any policy issued by an 1621
other than life insurance company. 1622~~

~~(27)~~(26) Using paper, software, or any other materials of or 1623
provided by an insurer after the insurer has terminated the 1624
authority of the licensee, if the use of such materials would 1625
cause a reasonable person to believe that the licensee was acting 1626
on behalf of or otherwise representing the insurer; 1627

~~(28) Providing misleading, deceptive, or untrue information 1628
to an applicant for insurance or a policyholder regarding a 1629
particular insurance agent, company, or product;~~ 1630

~~(29)~~(27) Soliciting, procuring an application for, or 1631
placing, either directly or indirectly, any insurance policy when 1632
the person is not authorized under this chapter to engage in such 1633
activity; 1634

~~(30)~~(28) Soliciting, marketing, or selling any product or 1635
service that offers benefits similar to insurance but is not 1636
regulated by the superintendent, without fully disclosing to the 1637
prospective purchaser that the product or service is not insurance 1638
and is not regulated by the superintendent; 1639

~~(31)~~(29) Failing to fulfill a refund obligation to a 1640

policyholder or applicant in a timely manner. For purposes of 1641
division (B)~~(31)~~(29) of this section, a rebuttable presumption 1642
exists that a refund obligation is not fulfilled in a timely 1643
manner unless it is fulfilled within one of the following time 1644
periods: 1645

(a) Thirty days after the date the policyholder, applicant, 1646
or insurer takes or requests action resulting in a refund; 1647

(b) Thirty days after the date of the insurer's refund check, 1648
if the agent is expected to issue a portion of the total refund; 1649
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(c) Forty-five days after the date of the agent's statement 1651
of account on which the refund first appears. 1652

~~(32)~~ The presumption may be rebutted by proof that the 1653
policyholder or applicant consented to the delay or agreed to 1654
permit the agent to apply the refund to amounts due for other 1655
coverages. 1656

(30) With respect to a surety bail bond agent license, 1657
rebating or offering to rebate, or unlawfully dividing or offering 1658
to divide, any commission; 1659

(31) Using a license for the principal purpose of procuring, 1660
receiving, or forwarding applications for insurance of any kind, 1661
other than life, or soliciting, placing, or effecting such 1662
insurance directly or indirectly upon or in connection with the 1663
property of the licensee or that of relatives, employers, 1664
employees, or that for which they or the licensee is an agent, 1665
custodian, vendor, bailee, trustee, or payee; 1666

(32) In the case of an insurance agent that is a business 1667
entity, using a life license for the principal purpose of 1668
soliciting or placing insurance on the lives of the business 1669
entity's officers, employees, or shareholders, or on the lives of 1670
relatives of such officers, employees, or shareholders, or on the 1671

lives of persons for whom they, their relatives, or the business 1672
entity is agent, custodian, vendor, bailee, trustee, or payee; 1673

(33) Offering within this state, in person or by 1674
advertisement, poster, letter, circular, or otherwise, to sell, 1675
procure, or obtain policies, contracts, agreements, or 1676
applications for life insurance or annuities providing fixed, 1677
variable, or fixed and variable benefits, or contractual payments, 1678
or any form of sickness and accident insurance, for or on behalf 1679
of any life insurance corporation, association, or organization, 1680
or mutual protective or mutual benefit association or 1681
organization, not authorized to transact business in this state, 1682
or for or on behalf of any spurious, fictitious, nonexistent, 1683
dissolved, inactive, liquidated or liquidating, or bankrupt life 1684
insurance corporation, association, or organization, or mutual 1685
protective or mutual benefit association or organization. 1686

(C) Before denying, revoking, suspending, or refusing to 1687
issue any license or imposing any penalty under this section ~~or~~ 1688
~~section 3905.482 of the Revised Code~~, the superintendent shall 1689
provide the licensee or applicant with notice and an opportunity 1690
for hearing as provided in Chapter 119. of the Revised Code, 1691
except as follows: 1692

(1)(a) Any notice of opportunity for hearing, the hearing 1693
officer's findings and recommendations, or the superintendent's 1694
order shall be served by certified mail at the last known address 1695
of the licensee or applicant. Service shall be evidenced by return 1696
receipt signed by any person. 1697

For purposes of this section, the "last known address" is the 1698
residential address of a licensee or applicant, or the 1699
principal-place-of-business address of a business entity, that 1700
appears is contained in the licensing records of the department ~~of~~ 1701
insurance. 1702

(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.

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

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

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

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

(2) Any subpoena for the appearance of a witness or the production of documents or other evidence at a hearing, or for the purpose of taking testimony for use at a hearing, shall be served

by certified mail, return receipt requested, by an attorney or by 1734
an employee of the department designated by the superintendent. 1735
Such subpoenas shall be enforced in the manner provided in section 1736
119.09 of the Revised Code. Nothing in this section shall be 1737
construed as limiting the superintendent's other statutory powers 1738
to issue subpoenas. 1739

(D) If the superintendent determines that a violation 1740
described in this section has occurred, the superintendent may ~~do~~ 1741
any take one or more of the following actions: 1742

(1) Assess a civil ~~forfeiture~~ penalty in an amount not 1743
exceeding twenty-five thousand dollars per violation; 1744

(2) Assess administrative costs to cover the expenses 1745
incurred by the department in the administrative action, including 1746
costs incurred in the investigation and hearing processes. Any 1747
costs collected shall be paid into the state treasury to the 1748
credit of the department of insurance operating fund created in 1749
section 3901.021 of the Revised Code. 1750

(3) Suspend all of the person's licenses for all lines of 1751
insurance for either a specified period of time or an indefinite 1752
period of time and under such terms and conditions as the 1753
superintendent may determine; 1754

(4) Permanently revoke all of the person's licenses for all 1755
lines of insurance; 1756

(5) Refuse to issue a license; 1757

(6) Refuse to renew a license; 1758

(7) Prohibit the person from being employed in any capacity 1759
in the business of insurance and from having any financial 1760
interest in any insurance agency, company, surety bail bond 1761
business, or third-party administrator in this state. The 1762
superintendent may, in the superintendent's discretion, determine 1763

the nature, conditions, and duration of such restrictions. 1764

(8) Order corrective actions in lieu of or in addition to the 1765
other penalties listed in division (D) of this section. Such an 1766
order may provide for the suspension of civil ~~forfeitures~~ 1767
penalties, license revocation, license suspension, or refusal to 1768
issue or renew a license if the licensee complies with the terms 1769
and conditions of the corrective action order. 1770

(9) Accept a surrender for cause offered by the licensee, 1771
which shall be for at least five years and shall prohibit the 1772
licensee from seeking any license authorized under this chapter 1773
during that time period. A surrender for cause shall be in lieu of 1774
revocation or suspension and may ~~also~~ include a corrective action 1775
order as provided in division (D)(8) of this section. 1776

(E) The superintendent may consider the following factors in 1777
denying a license, imposing suspensions, revocations, fines, or 1778
other penalties, and issuing orders under this section: 1779

(1) Whether the person acted in good faith; 1780

(2) Whether the person made restitution for any pecuniary 1781
losses suffered by other persons as a result of the person's 1782
actions; 1783

(3) The actual harm or potential for harm to others; 1784

(4) The degree of trust placed in the person by, and the 1785
vulnerability of, persons who were or could have been adversely 1786
affected by the person's actions; 1787

(5) Whether the person was the subject of any previous 1788
administrative actions by the superintendent; 1789

(6) The number of individuals adversely affected by the 1790
person's acts or omissions; 1791

(7) Whether the person voluntarily reported the violation, 1792
and the extent of the person's cooperation and acceptance of 1793

responsibility; 1794

(8) Whether the person obstructed or impeded, or attempted to obstruct or impede, the superintendent's investigation; 1795
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(9) The person's efforts to conceal the misconduct; 1797

(10) Remedial efforts to prevent future violations; 1798

(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; 1799
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(12) Such other factors as the superintendent determines to be appropriate under the circumstances. 1805
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(F)(1) A violation described in division (B)(1), (2), (3), ~~(4)~~, (5), (6), (7), (8), (9), (10), (11), (12), (13), (14), ~~(16)~~, (17), (18), ~~(19)~~, (20), (21), (22), (23), ~~(24)~~, (25), (26), (27), (28), (29), (30), (31), ~~or~~ (32), or (33) of this section is a class A offense for which the superintendent may impose any penalty set forth in division (D) of this section. 1807
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(2) A violation described in division (B)~~(4)~~, (15), ~~(16)~~, or ~~(24)~~(19) of this section, or a failure to comply with section 3905.061, 3905.071, or 3905.22 of the Revised Code, is a class B offense for which the superintendent may impose any penalty set forth in division (D)(1), (2), (8), or (9) of this section. 1813
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(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, 1818
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immediately after its issuance to the person subject to the order 1824
and to all persons known to be involved in the violation. The 1825
superintendent may thereafter publicize or otherwise make known to 1826
all interested parties that the order has been issued. 1827

The notice shall specify the particular act, omission, 1828
practice, or transaction that is subject to the cease-and-desist 1829
order and shall set a date, not more than fifteen days after the 1830
date of the order, for a hearing on the continuation or revocation 1831
of the order. The person shall comply with the order immediately 1832
upon receipt of notice of the order. 1833

The superintendent may, upon the application of a party and 1834
for good cause shown, continue the hearing. Chapter 119. of the 1835
Revised Code applies to such hearings to the extent that that 1836
chapter does not conflict with the procedures set forth in this 1837
section. The superintendent shall, within fifteen days after 1838
objections are submitted to the hearing officer's report and 1839
recommendation, issue a final order either confirming or revoking 1840
the cease-and-desist order. The final order may be appealed as 1841
provided under section 119.12 of the Revised Code. 1842

The remedy under this division is cumulative and concurrent 1843
with the other remedies available under this section. 1844

(H) If the superintendent has reasonable cause to believe 1845
that an order issued under this section has been violated in whole 1846
or in part, the superintendent may request the attorney general to 1847
commence and prosecute any appropriate action or proceeding in the 1848
name of the state against such person. 1849

The court may, in an action brought pursuant to this 1850
division, impose any of the following: 1851

(1) For each violation, a civil penalty of not more than 1852
twenty-five thousand dollars; 1853

(2) Injunctive relief; 1854

(3) Restitution;	1855
(4) Any other appropriate relief.	1856
(I) With respect to a surety bail bond agent license:	1857
(1) Upon the suspension or revocation of a license, or the eligibility of a surety bail bond agent to hold a license, the superintendent likewise may suspend or revoke the license or eligibility of any surety bail bond agent who is employed by or associated with that agent and who knowingly was a party to the act that resulted in the suspension or revocation.	1858 1859 1860 1861 1862 1863
(2) The superintendent may revoke a license as a surety bail bond agent if the licensee is adjudged bankrupt.	1864 1865
(J) This section applies to both resident and nonresident agents who are licensed under this chapter.	1866 1867
(K) Nothing in this section shall be construed to create or imply a private cause of action against an agent, solicitor, or insurer.	1868 1869 1870
Sec. 3905.491 <u>3905.15</u>. (A) Upon written application of a person whose license was <u>denied</u> , suspended, revoked, or surrendered for cause under section 3905.49 <u>3905.14</u> of the Revised Code, the superintendent of insurance shall hold a hearing to determine whether the administrative action imposing such the <u>denial</u> , suspension, revocation, or surrender should be modified, provided that all of the following conditions are met:	1871 1872 1873 1874 1875 1876 1877
(1) At least five years have elapsed since the date of the administrative action sought to be modified;	1878 1879
(2) At least two years have elapsed since any previous request for a modification was made under this section;	1880 1881
(3) The burden of proof is on the person requesting the modification.	1882 1883

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(2) A person who has been granted inactive status is exempt 1945
from any continuing education requirements imposed under this 1946
chapter. 1947

(3) The superintendent may adopt rules in accordance with 1948
Chapter 119. of the Revised Code to establish procedures for 1949
applying for inactive status, criteria used to determine 1950
eligibility for such status, and standards and procedures for 1951
transferring from inactive to active status. 1952

~~(E)~~(D) The superintendent may suspend or revoke a license, or 1953
take any other disciplinary action authorized by this chapter, 1954
regardless of whether the person is appointed or otherwise 1955
authorized to represent an insurer or agent. 1956

Sec. 3905.18. (A) Neither an insurer nor an insurance agent 1957
shall pay a commission, service fee, brokerage fee, or other type 1958
of consideration to a person for selling, soliciting, or 1959
negotiating insurance in this state, if the person is required to 1960
be licensed by the superintendent of insurance under this chapter 1961
but is not so licensed. However, renewal or other deferred 1962
commissions may be paid to such a person for selling, soliciting, 1963
or negotiating insurance in this state if the person was required 1964
to be licensed under this chapter at the time of the sale, 1965
solicitation, or negotiation and was so licensed at that time. 1966

(B) An insurer shall not pay a commission, service fee, 1967
brokerage fee, or other type of consideration to an insurance 1968
agent for selling, soliciting, or negotiating insurance in this 1969
state, if the insurance agent is required to be appointed by the 1970
insurer but is not so appointed. 1971

(C) An insurer or insurance agent may pay or assign a 1972
commission, service fee, brokerage fee, or other type of 1973
consideration to an insurance agency or to any person who does not 1974
sell, solicit, or negotiate insurance in this state, unless the 1975

payment or assignment is prohibited by division (B)(7) of section 3901.211 or by section 3911.20, 3933.01, or 3999.22 of the Revised Code.

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

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

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

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

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agent of an insurer shall not be required to be appointed as an agent of the insurer.

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

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

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

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

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

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

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(C) The superintendent may, in accordance with Chapter 119 of the Revised Code, adopt rules to establish appointment procedures, including cancellations and renewals, to clarify the

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circumstances that require an appointment, and to provide for the 2036
appointment of insurance agents to some or all of the insurers 2037
within an insurer's holding company system or group. 2038

Sec. 3905.201. (A) Each insurer that sells, solicits, or 2039
negotiates any form of limited line credit insurance shall provide 2040
a program of instruction to each insurance agent whose duties will 2041
include selling, soliciting, or negotiating limited line credit 2042
insurance. The program of instruction shall be provided to the 2043
insurance agent prior to the agent's appointment by the insurer. 2044

(B) The superintendent may require prior review and approval 2045
of any program of instruction provided under division (A) of this 2046
section. 2047

Sec. 3905.21. (A) An insurer or authorized representative of 2048
an insurer that terminates the appointment, employment, contract, 2049
or other insurance business relationship with an insurance agent 2050
shall notify the superintendent of insurance, in the manner 2051
prescribed by the superintendent, within thirty days after the 2052
effective date of the termination. The insurer shall provide any 2053
additional information, documents, records, or other data relating 2054
to the termination or activity of the insurance agent that the 2055
superintendent requests in writing. 2056

(B) If the termination of an insurance agent is for any of 2057
the reasons set forth in division (B) of section 3905.14 of the 2058
Revised Code, the insurer or authorized representative of the 2059
insurer shall promptly notify the superintendent, in the manner 2060
prescribed by the superintendent, of any additional information 2061
the insurer discovers upon further review or investigation, which 2062
information would have been provided to the superintendent in 2063
accordance with division (A) of this section had the insurer known 2064
of its existence. 2065

(C)(1) An insurer, within fifteen days after notifying the 2066
superintendent in accordance with division (A) or (B) of this 2067
section, shall mail a copy of the notification to the insurance 2068
agent at the agent's last known address. If the insurance agent 2069
was terminated for any of the reasons set forth in division (B) of 2070
section 3905.14 of the Revised Code, the notification shall be 2071
sent by certified mail, return receipt requested, postage prepaid, 2072
or by overnight delivery using a nationally recognized carrier. 2073

(2) An insurance agent, within thirty days after receiving a 2074
copy of a notification pursuant to division (C)(1) of this 2075
section, may file written comments concerning the substance of the 2076
notification with the superintendent. If an insurance agent files 2077
such comments with the superintendent, the agent shall, at the 2078
same time, provide a copy of the comments to the insurer. Comments 2079
filed with the superintendent shall become part of the 2080
superintendent's file on the insurance agent and shall accompany 2081
every copy of any report distributed or disclosed for any reason 2082
about the agent. 2083

Sec. 3905.211. (A) In the absence of actual malice, an 2084
insurer, the authorized representative of an insurer, an insurance 2085
agent, the superintendent of insurance, or any organization of 2086
which the superintendent is a member, which organization compiles 2087
the information provided pursuant to section 3905.21 of the 2088
Revised Code and makes it available to other insurance 2089
commissioners or to regulatory or law enforcement agencies, is 2090
immune from any civil liability that otherwise might be incurred 2091
or imposed as a result of either of the following: 2092

(1) Any statement required by section 3905.21 of the Revised 2093
Code or any information relating to any such statement, which 2094
information may be requested in writing by the superintendent; 2095

(2) Any statement of an insurer that has terminated an 2097

insurance agent to an insurer or agent, or any statement of an 2098
insurance agent to an insurer or agent, which statement is limited 2099
solely to whether a termination for any of the reasons set forth 2100
in division (B) of section 3905.14 of the Revised Code was 2101
reported to the superintendent, provided the propriety of any such 2102
termination is certified in writing by an officer or authorized 2103
representative of the insurer or agent terminating the 2104
relationship. 2105

(B) In any action brought against a person that may have 2106
immunity under division (A) of this section for making any 2107
statement required by section 3905.21 of the Revised Code or 2108
providing any information relating to any such statement, which 2109
information may have been requested in writing by the 2110
superintendent, the party bringing the action shall plead 2111
specifically in any allegation that division (A) of this section 2112
does not apply because the person making the statement or 2113
providing the information did so with malice. 2114

(C) Nothing in this section shall abrogate or modify any 2115
statutory or common law privilege or immunity that otherwise 2116
applies. 2117

Sec. 3905.212. The superintendent of insurance may, in 2118
accordance with Chapter 119. of the Revised Code, suspend or 2119
revoke the certificate of authority or license of any person that 2120
fails to comply with section 3905.21 of the Revised Code or that 2121
has been found by a court of competent jurisdiction to have made 2122
the statements or provided the information required under that 2123
section with actual malice. Any such person is also subject to the 2124
civil penalty authorized under section 3905.14 of the Revised 2125
Code. 2126

Sec. 3905.22. (A) An insurance agent shall provide notice to 2127
the superintendent of insurance of any administrative action taken 2128

against the agent in another jurisdiction or by another 2129
governmental agency having professional, occupational, or 2130
financial licensing authority within thirty days after the final 2131
disposition of the matter. The notice shall include a copy of the 2132
order, consent to order, or any other relevant legal document. 2133

(B) An insurance agent shall provide notice to the 2134
superintendent of any criminal prosecution of the agent by any 2135
jurisdiction, other than misdemeanor traffic, within thirty days 2136
after the agent's initial appearance before a judge or magistrate. 2137
The notice shall include a certified copy of the charging 2138
document. Within thirty days after the disposition of the criminal 2139
prosecution, the agent shall provide to the superintendent a 2140
certified copy of the court's entry or order that reflects the 2141
final disposition of the prosecution, and any other relevant legal 2142
documents. 2143

Sec. ~~3905.492~~ 3905.24. (A)(1) All records and other 2144
information obtained by the superintendent of insurance or the 2145
superintendent's deputies, examiners, assistants, or other 2146
employees, or agents relating to an investigation of an applicant 2147
for licensure under this chapter, or of an agent, solicitor, 2148
broker, or other person licensed or appointed under this chapter 2149
or Chapter 3951., 3957., or 3959. of the Revised Code, are 2150
confidential and are not public records as defined in section 2151
149.43 of the Revised Code until the applicant ~~or~~, licensee, or 2152
appointee is provided notice and opportunity for hearing pursuant 2153
to Chapter 119. of the Revised Code with respect to such records 2154
or information. If no administrative action is initiated with 2155
respect to a particular matter about which the superintendent 2156
obtained records or other information as part of an investigation, 2157
all such records and information relating to that matter shall 2158
remain confidential for three years after the file on the matter 2159

is closed. 2160

(2) Division (A)(1) of this section applies only to 2161
investigations that could result in administrative action under 2162
Title XVII or XXXIX or Chapter 119. of the Revised Code. 2163

(B) The records and other information described in division 2164
(A) of this section shall remain confidential for all purposes 2165
except when it is appropriate for the superintendent and the 2166
superintendent's deputies, examiners, assistants, or other 2167
employees, or agents to take official action regarding the affairs 2168
of the applicant ~~or~~, licensee, or appointee or in connection with 2169
actual or potential criminal proceedings. 2170

(C) Employees or agents of the department of insurance shall 2171
not be required by any court in this state to testify in a civil 2172
action, if such testimony concerns any matter related to records 2173
or any other information considered confidential under this 2174
section of which they have knowledge. 2175

(D) This section does not apply to any complaint or action 2176
~~under relating to a violation described in division (B)(31) or~~ 2177
~~(32) of section 3905.04 3905.14~~ of the Revised Code. 2178

Sec. 3905.26. (A) The superintendent of insurance may 2179
participate, in whole or in part, with the NAIC or any of its 2180
affiliates or subsidiaries, in a centralized agent license 2181
registry in which insurance agent licenses and appointments are 2182
centrally or simultaneously effected for all states that require 2183
an insurance agent license and that participate in the registry. 2184

(B) The superintendent may adopt rules in accordance with 2185
Chapter 119. of the Revised Code to adopt any uniform standard or 2186
procedure necessary for participation in the centralized agent 2187
license registry. Such rules may provide for the central 2188
collection of all fees for licenses or appointments processed 2189
through the registry. 2190

Sec. 3905.28. The superintendent of insurance may adopt rules 2191
in accordance with Chapter 119. of the Revised Code to carry out 2192
the purposes of sections 3905.01 to 3905.28 of the Revised Code. 2193
2194

~~Sec. 3905.06~~ 3905.29. Sections 3905.01 to ~~3905.06~~ 3905.28 of 2195
the Revised Code do not apply to associations organized and 2196
operating under sections 3939.01 to 3939.09 of the Revised Code. 2197

Sec. 3905.30. The superintendent of insurance may issue a 2198
surplus line broker's license to any natural person who is a 2199
resident of this or any other state or ~~a province of Canada,~~ or to 2200
~~any corporation, partnership, or limited liability company~~ a 2201
business entity that is organized under the laws of this or any 2202
other state ~~or a province of Canada.~~ ~~The applicant must have been~~ 2203
~~licensed as a multiple line agent~~ To be eligible for at least two 2204
~~years prior to making application for the~~ a surplus line broker's 2205
license, a person must have both a property license and a casualty 2206
license. A surplus line broker's license permits the person named 2207
in the license to negotiate for and obtain insurance, other than 2208
life insurance, on property or persons in this state ~~in~~ from 2209
insurers not authorized to transact business in this state. Each 2210
such license expires on the thirty-first day of January next after 2211
the year in which it is issued, and may be then renewed. 2212

Sec. 3905.31. No person not licensed under section 3905.30 of 2213
the Revised Code shall take or receive any application for such 2214
insurance upon property or persons in this state, or receive or 2215
collect a premium or any part thereof for any unauthorized 2216
insurance company, or attempt or assist in any such act, or 2217
perform any act in this state concerning any policy or contract of 2218
insurance of any unauthorized insurance company provided that any 2219

duly licensed ~~full multiple line~~ property and casualty agent may 2220
place business with an agent licensed under section 3905.30 of the 2221
Revised Code and may accept compensation therefor, if such 2222
insurance is written in conformity with the insurance laws of this 2223
state. This section does not apply to those engaged in the act of 2224
adjusting claims or losses in connection with any policy of 2225
insurance written under the provisions of sections 3905.30 to 2226
3905.35, ~~inclusive~~, of the Revised Code. 2227

Sec. 3905.34. Each person licensed under section 3905.30 of 2228
the Revised Code shall keep a separate account of the business 2229
done under the person's license. ~~Within thirty days after~~ On or 2230
before the end thirty-first day of each quarter January, each 2231
surplus line broker shall file ~~that account~~ with the 2232
superintendent of insurance the portion of that account that 2233
details business done during the preceding calendar year. The 2234
account must show the amount of such insurance, the name of the 2235
insured, a brief description of the type of insurance, the 2236
location of the property, the gross premium charged, the name of 2237
the insurer, the date of the policy and term thereof, and a report 2238
in the same detail of all such policies canceled and the gross 2239
return premiums thereon. 2240

Sec. 3905.36. Every insured association, company, 2241
corporation, or other person that enters, directly or indirectly, 2242
into any agreements with any insurance company, association, 2243
individual, firm, underwriter, or Lloyd, not authorized to do 2244
business in this state, whereby the insured shall procure, 2245
continue, or renew contracts of insurance covering subjects of 2246
insurance resident, located, or to be performed within this state, 2247
with such unauthorized insurance company, association, individual, 2248
firm, underwriter, or Lloyd, for which insurance there is a gross 2249
premium, membership fee, assessment, dues, or other consideration 2250

charged or collected, shall annually, on or before the ~~first~~ 2251
~~thirty-first~~ day of ~~July~~ January, return to the superintendent of 2252
insurance a statement under oath showing the name and address of 2253
the insured, name and address of the insurer, subject of the 2254
insurance, general description of the coverage, and amount of 2255
gross premium, fee, assessment, dues, or other consideration for 2256
such insurance for the preceding twelve-month period and shall at 2257
the same time pay to the treasurer of state a tax of five per cent 2258
of such gross premium, fee, assessment, dues, or other 2259
consideration, after a deduction for return premium, if any, as 2260
calculated on a form prescribed by the treasurer of state. All 2261
taxes collected under this section by the treasurer of state shall 2262
be paid into the general revenue fund. If the tax is not paid when 2263
due, the tax shall be increased by a penalty of twenty-five per 2264
cent. An interest charge computed as set forth in section 5725.221 2265
of the Revised Code shall be made on the entire sum of the tax 2266
plus penalty, which interest shall be computed from the date the 2267
tax is due until it is paid. For purposes of this section, payment 2268
is considered made when it is received by the treasurer of state, 2269
irrespective of any United States postal service marking or other 2270
stamp or mark indicating the date on which the payment may have 2271
been mailed. This section does not apply to: 2272

2273

(A) Insurance obtained pursuant to sections 3905.30 to 2274
3905.35 of the Revised Code; 2275

(B) Transactions in this state involving a policy solicited, 2276
written, and delivered outside this state covering only subjects 2277
of insurance not resident, located, or to be performed in this 2278
state at the time of issuance, provided such transactions are 2279
subsequent to the issuance of the policy; 2280

(C) Attorneys-at-law acting on behalf of their clients in the 2281
adjustment of claims or losses; 2282

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

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

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

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

Each person licensed under section 3905.30 of the Revised Code shall pay to the treasurer of state, on or before the thirty-first day of January of each year, five per cent of the balance of the gross premiums charged for insurance placed or procured under the license after a deduction for return premiums, as reported on a form prescribed by the treasurer of state. The tax shall be collected from the insured by the surplus line broker who placed or procured the policy of insurance at the time the policy is delivered to the insured. No license issued under section 3905.30 of the Revised Code shall be renewed until payment is made. If the tax is not paid when due, the tax shall be increased by a penalty of twenty-five per cent. An interest charge computed as set forth in section 5725.221 of the Revised Code shall be made on the entire sum of the tax plus penalty, which interest shall be computed from the date the tax is due until it is paid. For purposes of this section, payment is considered made when it is received by the treasurer of state, irrespective of any United States postal service marking or other stamp or mark

indicating the date on which the payment may have been mailed. 2315
2316

Sec. ~~3905.26~~ 3905.40. There shall be paid to the 2317
superintendent of insurance the following fees: 2318

(A) Each insurance company doing business in this state shall 2319
pay: 2320

(1) For filing a copy of its charter or deed of settlement, 2321
two hundred fifty dollars; 2322

(2) For filing each statement, twenty-five dollars; 2323

(3) For each certificate of authority or license, and 2324
certified copy thereof, five dollars; 2325

(4) For each copy of a paper filed in ~~his~~ the 2326
superintendent's office, twenty cents per page; 2327

(5) For issuing certificates of deposits or certified copies 2328
thereof, five dollars for the first certificate or copy and one 2329
dollar for each additional certificate or copy; 2330

(6) For issuing certificates of compliance or certified 2331
copies thereof, twenty dollars; 2332

(7) For affixing the seal of office and certifying documents, 2333
other than those enumerated herein, two dollars. 2334

(B) Each life insurance company doing business in this state 2335
shall pay for annual valuation of its policies, one cent on every 2336
one thousand dollars of insurance. 2337

(C) Each foreign insurance company doing business in this 2338
state shall pay for making and forwarding annually, semiannually, 2339
and quarterly the interest checks and coupons accruing upon bonds 2340
and securities deposited, fifty dollars each year on each one 2341
hundred thousand dollars deposited. 2342

(D) Each ~~appointee~~ or applicant for licensure as an insurance 2343

agent, ~~solicitor, or life insurance agent~~ shall pay ten dollars 2344
before admission to any examination required by the superintendent 2345
~~of insurance~~. Such fee shall not be paid by the appointing 2346
insurance company ~~or agent~~. 2347

(E) Each domestic mutual life insurance company shall pay for 2348
verifying that any amendment to its articles of incorporation was 2349
regularly adopted, two hundred fifty dollars with each application 2350
for verification. Any such amendment shall be considered to have 2351
been regularly adopted when approved by the affirmative vote of 2352
two-thirds of the policyholders present in person or by proxy at 2353
any annual meeting of policyholders or at a special meeting of 2354
policyholders called for that purpose. 2355

Sec. ~~3905.52~~ 3905.401. The valuation fee specified in 2356
division (B) of section ~~3905.26~~ 3905.40 of the Revised Code does 2357
not apply to reinsurance ceded to affiliated companies. 2358

Sec. ~~3905.27~~ 3905.41. The superintendent of insurance may 2359
open an account in the name of each insurance company authorized 2360
to do business in this state and in the name of any authorized 2361
insurance agent, and charge the accounts with all fees incurred by 2362
such companies or agents in accordance with sections ~~3905.02,~~ 2363
~~3905.03, 3905.07, 3905.26~~ 3905.10, 3905.20, 3905.40, 3919.26, and 2364
3931.03 of the Revised Code, and other statutes imposing fees. The 2365
statutory fee for each service requested shall be charged against 2366
the proper account ~~forthwith~~ immediately upon the rendition of the 2367
service. 2368

Not later than the tenth day of each calendar month the 2369
superintendent shall render an itemized statement to each company 2370
or agent whose account has been charged during the month next 2371
preceding, showing the amount of all fees charged during that 2372
month and demanding that payment thereof be made not later than 2373
the first day of the month next following. 2374

The failure of any insurance company within that time to pay 2375
the amount of such fees in accordance with the monthly statement, 2376
or, if the statement or account is found to be incorrect, in 2377
accordance with a corrected monthly statement rendered by the 2378
superintendent, is grounds for the revocation of its certificate 2379
of authority to do business in this state. In the event of such an 2380
order of revocation, the superintendent shall ~~forthwith~~ 2381
immediately cause a notice thereof to be published once in at 2382
least one newspaper at the seat of the government and also, if a 2383
domestic company, once in at least one newspaper published in the 2384
county where its home office is located, or, if a foreign or alien 2385
company, once in at least one newspaper published in a county of 2386
this state where an agency of the company is located. After the 2387
publication of the notice, no agent of the company shall procure 2388
applications for insurance or issue policies. 2389

In the event of the failure of any agent within the time 2390
fixed to pay the amount of fees charged against the agent's 2391
account in accordance with the monthly statement rendered by the 2392
superintendent, the agent's license may be revoked in the manner 2393
provided by ~~sections 3905.02 and 3905.18~~ section 3905.14 of the 2394
Revised Code. 2395

Sec. 3905.482. (A) The superintendent of insurance shall 2396
suspend the agent's license of any person who fails to meet the 2397
requirements of section 3905.481 of the Revised Code and has not 2398
been granted under division (B) of this section an extension of 2399
time within which to complete the requirements. The suspension 2400
shall become effective upon sixty days' written notice to the 2401
person. The notice shall be sent by ordinary mail to the person's 2402
residential address on the licensing records of the department of 2403
insurance. During this sixty-day period, the person may provide 2404
proof of compliance with the requirements of section 3905.481 of 2405
the Revised Code. If the person fails to demonstrate such 2406

compliance in a manner and form acceptable to the superintendent, 2407
the superintendent shall suspend the person's license. The 2408
suspension shall continue until the person demonstrates to the 2409
satisfaction of the superintendent that the person has complied 2410
with the requirements of section 3905.481 of the Revised Code and 2411
all other provisions of this chapter. However, the superintendent 2412
~~shall~~ may revoke the license if the person fails to demonstrate 2413
such compliance within ~~six months~~ one year after the conclusion of 2414
the immediately preceding twenty-four-month compliance period and 2415
has not been granted under division (B) of this section an 2416
extension of time within which to complete the requirements. ~~Any~~ 2417
~~person whose license has been revoked under this division and who~~ 2418
~~desires to hold a license as an agent under this chapter shall~~ 2419
~~apply for a new agent's license in accordance with the~~ 2420
~~requirements of this chapter.~~ 2421

(B) If a person cannot meet the requirements of section 2422
3905.481 of the Revised Code due to a disability or inactivity due 2423
to special circumstances, the superintendent may grant the person 2424
a reasonable extension of time to enable the person to comply with 2425
the requirements of section 3905.481 of the Revised Code for the 2426
period of the disability or inactivity. The superintendent may 2427
revoke the license if the person fails to demonstrate such 2428
compliance within that time period. 2429

(C) Before revoking ~~or suspending~~ any agent's license under 2430
this section, the superintendent shall provide the licensee notice 2431
and an opportunity for a hearing in accordance with Chapter 119. 2432
of the Revised Code. Any person whose license has been revoked 2433
under this section and who desires to hold a license as an 2434
insurance agent under this chapter shall apply for a new insurance 2435
agent's license in accordance with the requirements of this 2436
chapter. 2437

(D) The superintendent may adopt rules in accordance with 2438

Chapter 119. of the Revised Code relative to the manner and form 2439
of demonstrating compliance with the requirements of section 2440
3905.481 of the Revised Code that are acceptable to the 2441
superintendent for purposes of this section. 2442

Sec. 3905.483. (A) There is hereby created the insurance 2443
agent education advisory council to advise the superintendent of 2444
insurance in carrying out the duties imposed under sections 2445
~~3905.48~~ 3905.04 and 3905.481 to 3905.486 of the Revised Code. 2446

(B) The council shall be composed of the superintendent, or 2447
the superintendent's designee, and ~~eleven~~ twelve members appointed 2448
by the superintendent, as follows: 2449

(1) One representative of the association of Ohio life 2450
insurance companies; 2451

(2) One representative of the independent insurance agents of 2452
Ohio; 2453

(3) One representative of the Ohio association of health 2454
underwriters; 2455

(4) One representative of the Ohio association of life 2456
underwriters; 2457

(5) One representative of the Ohio insurance institute; 2458

(6) One representative of the professional insurance agents 2459
association of Ohio; 2460

(7) One representative of the Ohio land title association; 2461

(8) Two insurance agents each of whom has been licensed 2462
continuously during the five-year period immediately preceding the 2463
agent's appointment; 2464

~~(8)~~(9) One representative of an insurance company admitted to 2465
transact business in this state; 2466

~~(9)~~(10) Two representatives of consumers, one of whom shall 2467
be at least sixty years of age. 2468

(C)(1) Of the initial eleven appointments made by the 2469
superintendent, three shall be for terms ending December 31, 1994, 2470
four shall be for terms ending December 31, 1995, and four shall 2471
be for terms ending December 31, 1996. Thereafter, terms of office 2472
shall be for three years, each term ending on the thirty-first day 2473
of December of the third year. 2474

(2) The initial appointment of the twelfth member made by the 2475
superintendent under division (B)(7) of this section, pursuant to 2476
Sub. S.B. 129 of the 124th general assembly, shall be for a term 2477
ending December 31, 2003. Thereafter, the term of office shall be 2478
for three years, ending on the thirty-first day of December of the 2479
third year. 2480

(D) Each member shall hold office from the date of 2481
appointment until the end of the term for which the member was 2482
appointed. Any member appointed to fill a vacancy occurring prior 2483
to the expiration of the term for which the member's predecessor 2484
was appointed shall hold office for the remainder of such term. 2485
Any member shall continue in office subsequent to the expiration 2486
date of the member's term until the member's successor takes 2487
office, or until a period of sixty days has elapsed, whichever 2488
occurs first. A vacancy shall be filled in the same manner as the 2489
original appointment. 2490

(E) Initial appointments to the council shall be made no 2491
later than thirty days after April 16, 1993. The initial 2492
appointment of the twelfth member to the council under division 2493
(B)(7) of this section, pursuant to Sub. S.B. 129 of the 124th 2494
general assembly, shall be made no later than December 31, 2002. 2495

(F) Any member is eligible for reappointment. The 2496
superintendent, after notice and opportunity for a hearing, may 2497

remove for cause any member the superintendent appoints. 2498

(G) The superintendent or the superintendent's designee shall 2499
serve as chairperson of the council. Meetings shall be held upon 2500
the call of the chairperson and as may be provided by procedures 2501
adopted by the superintendent. Seven members of the council 2502
constitute a quorum. 2503

(H) Each member shall receive mileage and necessary and 2504
actual expenses while engaged in the business of the council. 2505

Sec. 3905.484. (A) The superintendent of insurance, in 2506
consultation with the insurance agent education advisory council, 2507
shall establish criteria for any course or program of study that 2508
is offered in this state under section 3905.04 or sections ~~3905.48~~ 2509
3905.481 to 3905.486 of the Revised Code. 2510

(B) No course or program of study shall be offered in this 2511
state under section 3905.04 or sections ~~3905.48~~ 3905.481 to 2512
3905.486 of the Revised Code unless it is approved by the 2513
superintendent in consultation with the council. 2514

(C) A course or program of study offered in this state under 2515
section 3905.04 or sections ~~3905.48~~ 3905.481 to 3905.486 of the 2516
Revised Code shall be developed or sponsored only by one of the 2517
following: 2518

(1) An insurance company admitted to transact business in 2519
this state; 2520

(2) An accredited college or university; 2521

(3) An insurance trade association; 2522

(4) An independent program of instruction that is approved by 2523
the superintendent in consultation with the council; 2524

(5) Any institution as defined in section 1713.01 of the 2525
Revised Code that holds a certificate of authorization issued by 2526

the Ohio board of regents under Chapter 1713. of the Revised Code 2527
or is exempt under that chapter from the requirements for a 2528
certificate of authorization. 2529

(D) Any person who teaches any approved course or program of 2530
study qualifies for the same number of classroom hours as would be 2531
granted to any person who takes and successfully completes that 2532
course or program. 2533

Sec. 3905.486. The superintendent of insurance shall adopt 2534
rules in accordance with Chapter 119. of the Revised Code to carry 2535
out the purposes of sections ~~3905.48~~ 3905.04 and 3905.481 to 2536
3905.486 of the Revised Code. In adopting any rules, the 2537
superintendent shall consider any recommendations made by the 2538
insurance agent education advisory council. 2539

Sec. ~~3905.47~~ 3905.49. (A) As used in this section and section 2540
3905.50 of the Revised Code, "independent insurance agent" means 2541
an insurance agent who is neither employed nor controlled solely 2542
by an insurer, whose agency contract with an insurer provides that 2543
upon termination of the contract, the ownership of the property 2544
rights of all expiration information vests in the agent or ~~his~~ the 2545
agent's heirs or assigns, and whose agency contract with an 2546
insurer permits the agent to represent concurrently other insurers 2547
of ~~his~~ the agent's choice. 2548

(B) No agent other than an independent insurance agent shall 2549
represent ~~oneself~~ self, or shall be represented, to the public as 2550
an independent insurance agent or agency. 2551

Sec. 3905.50. (A)(1) Except as provided in division (A)(2) or 2552
(3) of this section, this section applies to every contract of 2553
agency between a property and casualty insurance company and an 2554
independent insurance agent, ~~as defined in division (A) of section~~ 2555

~~3905.47 of the Revised Code~~, which has been in effect for not less than two years. 2556
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(2) This section does not apply to a contract of exclusive employment by, or an exclusive agency contract with, a single insurer or group of insurers under common ownership or control. 2558
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(3) This section does not apply to an agent whose license has been suspended or revoked by the superintendent of insurance, an agent who has demonstrated gross incompetence, or an agent whose contract has been terminated for insolvency, abandonment, gross or willful misconduct, or failure to pay to the insurer, in accordance with the agency contract, moneys due to the insurer upon written demand of the insurer. 2561
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(B) No insurer shall terminate an independent insurance agent contract of agency except by mutual agreement of the parties or upon one hundred eighty days' written notice to the independent insurance agent. 2568
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(1) Such notice shall include specific reasons for the termination of the agent. 2572
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(2) Such notice shall be sent by certified mail, return receipt requested, to the last known address of the agency. 2574
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(C) During the one hundred eighty day notice period, an independent insurance agent shall not write or bind any new policies on behalf of an insurer without written approval from the insurer. However, during such period, an independent insurance agent, subject to the current underwriting rules, guidelines, commission rates, and practices of the insurer, may renew or effect any necessary changes or endorsements of outstanding policies of insurance that are in force prior to the date of receipt of the notice of termination. 2576
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(D) None of the following constitutes an acceptable reason for the termination of a contract of agency: 2585
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(1) Claims experience of the agent in a single year;	2587
(2) Claims experience due to catastrophies <u>catastrophes</u> of nature covered by a policy;	2588 2589
(3) Claims experience under uninsured and underinsured motorist coverages.	2590 2591
(E) An agent aggrieved by the conduct of an insurer in its breach or termination of a contract of agency may file with the superintendent a request that the superintendent review the action to determine whether it is in accord with this section and the lawful provisions of the contract of agency and send a copy of the request to the insurer at the address of the office issuing the notice of termination. Upon receipt of such a request, an insurer shall promptly provide the independent insurance agent and superintendent with documentation in support of the insurer's stated reason for termination.	2592 2593 2594 2595 2596 2597 2598 2599 2600 2601
(F) The superintendent shall promptly investigate the allegation. If the superintendent has reasonable cause to believe that this section or the lawful provisions of the contract of agency have been violated, he <u>the superintendent</u> shall, within thirty days of receipt of a request for review, conduct an adjudication hearing subject to Chapter 119. of the Revised Code, held upon not less than ten days' written notice to the agent and the insurer. Pending a final order in the adjudication hearing, the superintendent may take such interim action as necessary to protect the parties or the public. During the pendency of the proceeding before the superintendent, the contract of agency subject to the proceeding continues in force and divison <u>division</u> (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.	2602 2603 2604 2605 2606 2607 2608 2609 2610 2611 2612 2613 2614 2615 2616 2617 2618

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

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

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

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

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

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

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

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

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

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

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

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

(7) Any other information required by the superintendent.

(C) The superintendent shall issue to a resident of this 2680
state or renew a business entity organized under the laws of this 2681
state a license to act as a managing general agent representing an 2682
insurer licensed to do business in this state with respect to 2683
risks located in this state or a license to act as a managing 2684
general agent representing an insurer organized under the laws of 2685
this state with respect to risks located outside this state, and 2686
shall renew such a license, if the superintendent is satisfied 2687
that all of the following conditions are met: 2688

(1) The applicant is a suitable person and intends to hold 2689
~~himself~~ self out in good faith as a managing general agent. 2690

(2) The applicant is honest, trustworthy, and understands the 2691
duties and obligations of a managing general agent. 2692

(3) The applicant has filed a completed application that 2693
complies with division (B) of this section. 2694

(4) The applicant has paid a fee in the amount of twenty 2695
dollars. 2696

(5) The applicant maintains a bond in the amount of not less 2697
than fifty thousand dollars for the protection of the insurer. 2698

(6) The applicant maintains an errors and omissions policy of 2699
insurance. 2700

(7) The applicant is not, and has never been, under an order 2701
of suspension or revocation under section 3905.77 of the Revised 2702
Code or under any other law of this state, or any other state, 2703
relating to insurance, and is otherwise in compliance with 2704
sections 3905.71 to 3905.79 of the Revised Code and all other laws 2705
of this state relating to insurance. 2706

(D) If the applicant is a resident of another state or a 2707
business entity organized under the laws of another state, the 2708
applicant shall submit a request for licensure, along with a fee 2709

of twenty dollars, to the superintendent. The superintendent shall 2710
issue a license to act as a managing general agent if the request 2711
for licensure includes proof that the applicant is licensed and in 2712
good standing as a managing general agent in the applicant's home 2713
state and either a copy of the application for licensure the 2714
applicant submitted to the applicant's home state or the 2715
application described in division (B) of this section. 2716

If the applicant's home state does not license managing 2717
general agents under provisions similar to those in sections 2718
3905.71 to 3905.79 of the Revised Code, or if the applicant's home 2719
state does not grant licenses to residents of this state on the 2720
same reciprocal basis, the applicant shall comply with divisions 2721
(B) and (C) of this section. 2722

(E) Unless suspended or revoked by an order of the 2723
superintendent pursuant to section 3905.77 of the Revised Code and 2724
except as provided in division ~~(E)~~(F) of this section, any license 2725
issued or renewed pursuant to division (C) or (D) of this section 2726
shall expire on the last day of February next after its issuance 2727
or renewal. 2728

~~(E)~~(F) If the appointment of a managing general agent is 2729
terminated by the insurer, the license of the managing general 2730
agent shall expire on the date of the termination. 2731

~~(F)~~(G) A license shall be renewed in accordance with the 2732
standard renewal procedure specified in Chapter 4745. of the 2733
Revised Code. 2734

~~(G)~~(H) All license fees collected pursuant to ~~division (C)~~(4) 2735
~~of~~ this section shall be paid into the state treasury to the 2736
credit of the department of insurance operating fund. 2737

Sec. 3905.85. (A) An applicant for a license as a surety bail 2738
bond agent shall submit an application for the license in a manner 2739
prescribed by the superintendent of insurance. The application 2740

shall be accompanied by a one hundred fifty dollar fee and a 2741
statement that gives the applicant's name, age, residence, present 2742
occupation, occupation for the five years next preceding the date 2743
of the application, and such other information as the 2744
superintendent may require. 2745

The applicant shall also request a criminal records check 2746
conducted by the superintendent of the bureau of criminal 2747
identification and investigation in accordance with section 2748
109.572 of the Revised Code, or other governmental agencies, or 2749
other sources, as required and designated by the superintendent of 2750
insurance, and direct that the ~~bureau's written response responses~~ 2751
to that request be transmitted to the superintendent of insurance, 2752
or to the superintendent's designee, ~~as specified on the form~~ 2753
~~prescribed pursuant to that section.~~ If the superintendent of 2754
insurance or the superintendent's designee fails to receive ~~the~~ 2755
~~bureau's a~~ response to ~~the applicant's request for a requested~~ 2756
criminal records check, or if the applicant fails to request the 2757
criminal records check, the superintendent may refuse to issue a 2758
license under this section. The applicant shall pay any fee 2759
required ~~by the bureau~~ for conducting the criminal records check. 2760

An applicant for a license shall submit to an examination as 2761
to the qualifications set forth in division (B) of this section. 2762

(B) The superintendent of insurance shall issue to an 2763
applicant a license that states in substance that the person is 2764
authorized to do the business of a surety bail bond agent, if the 2765
superintendent is satisfied that all of the following apply: 2766

(1) ~~If the applicant is a natural person, the~~ The applicant 2767
is eighteen years of age or older. 2768

(2) The applicant is a person of high character and 2769
integrity. 2770

(3) The applicant has successfully completed the educational 2771

requirements set forth in section ~~3905.48~~ 3905.04 of the Revised Code and passed the examination required by that section. 2772
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(C) A surety bail bond agent license issued pursuant to this section authorizes the holder, when appointed by an insurer, to execute or countersign bail bonds in connection with judicial proceedings and to receive money or other things of value for those services. However, the holder shall not execute or deliver a bond during the first one hundred eighty days after the license is initially issued. This restriction does not apply with respect to license renewals. 2774
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(D) The superintendent of insurance may suspend or revoke a surety bail bond agent's license as provided in section 3905.482 of the Revised Code, and may suspend, revoke, or refuse to issue or renew such a license as provided in section ~~3905.49~~ 3905.14 of the Revised Code. 2782
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If the superintendent refuses to issue such a license based in whole or in part upon the ~~bureau's~~ written response to a criminal records check requested pursuant to division (A) of this section, the superintendent shall send a copy of the response that ~~the bureau was~~ transmitted to the superintendent or to the superintendent's designee, to the applicant at the applicant's home address upon the applicant's submission of a written request to the superintendent. 2787
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(E) Any person licensed as a surety bail bond agent may surrender the person's license in accordance with section ~~3905.012~~ 3905.16 of the Revised Code. 2795
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(F) Unless revoked or suspended by the superintendent of insurance or surrendered by the surety bail bond agent, such a license may, in the discretion of the superintendent and the payment of a one hundred fifty dollar fee, be ~~continued past~~ renewed effective the last first day of February March next after 2798
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its issue and after the ~~last~~ first day of ~~February~~ March in each 2803
succeeding year. 2804

(G) The superintendent of insurance may prescribe the forms 2805
to be used as evidence of the issuance of a license under this 2806
section. The superintendent shall require each licensee to 2807
acquire, from a source designated by the superintendent, a wallet 2808
identification card that includes the licensee's photograph and 2809
any other information required by the superintendent. The licensee 2810
shall keep the wallet identification card on the licensee's person 2811
while engaging in the bail bond business. 2812

(H)(1) The superintendent of insurance shall not issue or 2813
renew the license of a ~~corporation, partnership, or limited~~ 2814
~~liability company~~ business entity organized under the laws of this 2815
or any other state unless the ~~corporation, partnership, or limited~~ 2816
~~liability company~~ business entity is qualified to do business in 2817
this state under the applicable provisions of Title XVII of the 2818
Revised Code. 2819

(2) The failure of a ~~corporation, partnership, or limited~~ 2820
~~liability company~~ business entity to be in good standing with the 2821
secretary of state or to maintain a valid appointment of statutory 2822
agent is grounds for suspending, revoking, or refusing to renew 2823
its license. 2824

(3) By applying for a surety bail bond agent license under 2825
this section, an individual, ~~corporation, partnership, or limited~~ 2826
~~liability company~~ business entity consents to the jurisdiction of 2827
the courts of this state. 2828

(I) A surety bail bond agent licensed pursuant to this 2829
section is an officer of the court. 2830

(J) Any fee collected under this section shall be paid into 2831
the state treasury to the credit of the department of insurance 2832
operating fund created by section 3901.021 of the Revised Code. 2833

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

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

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

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

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

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

both.	2863
(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.	2864 2865 2866
(D) Whoever violates section 3905.01 <u>3905.02</u> , 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.	2867 2868 2869
(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.	2870 2871 2872 2873
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 <u>3901.77</u> of the Revised Code, and shall exhibit the following items:	2874 2875 2876 2877 2878 2879 2880 2881 2882 2883
(A) The number of policies issued during the year;	2884
(B) The amount of insurance effected by such policies;	2885
(C) The amount of premiums received during the year;	2886
(D) The amount of interest and all other receipts, specifying the items;	2887 2888
(E) The amount paid to policyholders of the company for losses during the year;	2889 2890
(F) The amount of all other expenditures and disbursements of	2891

the company, specifying such items as the superintendent calls	2892
for;	2893
(G) The amount of losses unpaid;	2894
(H) The whole number of policies in force;	2895
(I) The amount insured by such policies;	2896
(J) The amount of reserve on all policies in force,	2897
calculated by the American Experience Table of Mortality, with	2898
interest at four per cent annually, or calculated by any other	2899
higher standard that the company has adopted, and the unearned	2900
premium on all personal accident and sickness insurance in force;	2901
(K) The amount of capital stock, specifying amount paid and	2902
unpaid;	2903
(L) The amount of dividends unpaid and the amount of all	2904
other liabilities;	2905
(M) A detailed statement of all the assets of the company,	2906
and the manner of their investment;	2907
(N) An exhibit of the policy obligations of the company,	2908
which shall include:	2909
(1) In the first annual statement, a schedule showing the	2910
number, date, age when insured, amount insured, term of policy,	2911
term of premium, and amount of premium, of all policies issued,	2912
schedules of all policies canceled, revived, changed, reduced, or	2913
increased and a schedule of reinsurances in other companies;	2914
(2) In every succeeding annual statement, a schedule of the	2915
items listed in division (N)(1) of this section as to all policies	2916
issued during the year, and similar schedules of policies	2917
canceled, revived, changed, reduced, or increased during the year,	2918
together with schedules of reinsurances in other companies and	2919
schedules of additions to policies, and a list of all other	2920
obligations of the company requiring valuation.	2921

An exhibit of the policy obligations of the company may be 2922
required more often than once a year. 2923

Sec. 3909.06. Every life insurance company organized by act 2924
of congress or under the laws of another state of the United 2925
States doing business in this state, annually shall file a 2926
statement of its condition and affairs in the office of the 2927
superintendent of insurance, and such statement shall be filed on 2928
the forms adopted by the superintendent pursuant to section 2929
~~3905.29~~ 3901.77 of the Revised Code. 2930

Sec. 3911.011. (A) No policy, annuity, or other contract 2931
providing variable or fixed and variable benefits or contractual 2932
payments shall be delivered or issued for delivery in this state 2933
except by a life insurance company, organized under the laws of 2934
this state, or a company, partnership, or association, organized 2935
or incorporated, by an act of congress, or under the laws of this 2936
or any other state of the United States, or any foreign 2937
government, and transacting the business of life insurance in this 2938
state. No such company, partnership or association shall deliver 2939
or issue for delivery in this state any such policy, annuity, or 2940
contract until the superintendent of insurance has determined that 2941
its condition and methods of operation in connection with the 2942
issuance of ~~such~~ the policies, annuities, and contracts will not 2943
render its operation hazardous to the public or to the holders of 2944
its policies, annuities, and other contracts in this state. In 2945
making such determination, the superintendent shall consider the 2946
history, reputation, and financial condition of ~~such~~ the company, 2947
partnership, or association, and the character, responsibility, 2948
and general fitness of its officers, directors, partners, or 2949
associates. In making such determination with respect to a 2950
company, partnership, or association not organized under the laws 2951
of this state, the superintendent shall also consider whether the 2952

laws and regulations of its domicile provide a degree of 2953
protection to the public and the holders of its policies, 2954
annuities, and other contracts substantially equal to that 2955
provided by this section and any rules adopted by the 2956
superintendent pursuant to division (C) of this section. If any 2957
such company is a subsidiary of, or affiliated through management 2958
or ownership with, a life insurance company authorized to do 2959
business in this state, the superintendent may consider the 2960
requirements of this division to have been satisfied if either 2961
such company or its parent or affiliated company meets such 2962
requirements. 2963

(B) No policy, annuity, or other contract described in 2964
division (A) of this section and no certificate, application, 2965
endorsement, or rider to be used in connection with any such 2966
policy, annuity, or other contract shall be delivered, or issued 2967
for delivery, in this state until a copy thereof has been filed 2968
with the superintendent. The superintendent shall, within thirty 2969
days after the filing of any such form, disapprove the same ~~if he~~ 2970
~~finds~~ upon finding that such form contains provisions ~~which~~ that 2971
are unjust, unfair, inequitable, misleading, or deceptive, 2972
encourage misrepresentation of the coverage, or are contrary to 2973
the insurance laws of this state or any rule adopted by ~~him~~ the 2974
superintendent pursuant to division (C) of this section. When the 2975
superintendent notifies a company, partnership, or association 2976
that a form has been disapproved, it shall be unlawful thereafter 2977
for ~~such~~ the company, partnership, or association to issue or use 2978
~~such~~ the form. In ~~such~~ the notice, the superintendent shall 2979
specify the reason for ~~his~~ the disapproval and state that a 2980
hearing will be granted in twenty days after request in writing. 2981
No such policy, contract, certificate, application, endorsement, 2982
or rider shall be issued or used until the expiration of thirty 2983
days after it has been so filed, unless the superintendent gives 2984
written approval thereto. The superintendent may, at any time 2985

after a hearing held not less than twenty days after written 2986
notice to the insurer, withdraw ~~his~~ the approval of any such form 2987
on any ground set forth in this division. The written notice of 2988
such hearing shall state the reason for the proposed withdrawal. 2989
The company, partnership, or association shall not issue ~~such~~ the 2990
form or use it after the effective date of ~~such~~ the withdrawal. 2991
Any order or formal determination of the superintendent under this 2992
division shall be subject to judicial review as provided in 2993
section 119.12 of the Revised Code. 2994

(C) The superintendent shall have the sole and exclusive 2995
power and authority to regulate the sale, delivery, and issuance 2996
for delivery in this state of policies, annuities, and other 2997
contracts described in division (A) of this section and, subject 2998
to ~~sections 119.01 to 119.13, inclusive,~~ Chapter 119. of the 2999
Revised Code, to adopt, amend, and rescind rules necessary to 3000
discharge ~~his~~ the superintendent's duties and exercise ~~his~~ the 3001
superintendent's power and authority under ~~sections 3905.20 and~~ 3002
section 3907.15 of the Revised Code and this section, including, 3003
but not limited to, the adoption of a definition of a subsidiary 3004
or affiliated corporation under section 3907.15 of the Revised 3005
Code. 3006

(D) Except for Chapter 3915. and except as otherwise provided 3007
in sections ~~3905.20,~~ 3907.15, and 3911.011 of the Revised Code, 3008
all pertinent provisions of Title XXXIX of the Revised Code apply 3009
to all policies, annuities, and other contracts providing variable 3010
or fixed and variable benefits or contractual payments and all 3011
separate accounts established in connection therewith. The reserve 3012
liability for such policies, annuities, and contracts shall be 3013
established in accordance with actuarial procedures that recognize 3014
the variable nature of the benefits and guarantees provided. 3015

Chapter 1707. of the Revised Code does not apply to any 3016
3017

policy, annuity, or other contract providing fixed, variable, or 3018
fixed and variable benefits or contractual payments, ~~which~~ that is 3019
issued by any company, partnership, or association authorized to 3020
transact the business of life insurance in this state. 3021

Sec. 3923.121. (A) As used in this section: 3022

(1) "Association" means a voluntary unincorporated 3023
association of insurers formed for the sole purpose of enabling 3024
cooperative action to provide sickness and accident insurance in 3025
accordance with this section. 3026

(2) "Insurer" means any insurance company authorized to do 3027
the business of sickness and accident insurance in this state. 3028

(3) "Insured" means a person covered under a group policy 3029
issued pursuant to this section. 3030

(B) Any insurer may join with one or more other insurers, in 3031
an association, to offer, sell, and issue to a policyholder 3032
selected by the association a policy of group insurance against 3033
major financial loss from sickness and accident covering residents 3034
of this state who are sixty-five years of age or older and the 3035
spouses of such residents. The insurance shall be offered, issued, 3036
and administered in the name of the association. Membership in the 3037
association shall be open to any insurer and each insurer which 3038
participates shall be liable for a specified percentage of the 3039
risks. The policy may be executed on behalf of the association by 3040
a duly authorized person and need not be countersigned by an 3041
agent. 3042

(C) The persons eligible for coverage under the policy shall 3043
be all residents of this state who are sixty-five years of age or 3044
older and their spouses, subject to reasonable underwriting 3045
restrictions to be set forth in the plan of the association. The 3046
policy may provide basic hospital and surgical coverage, basic 3047

medical coverage, major medical coverage, and any combination of 3048
these; provided that it shall not be required as a condition for 3049
obtaining major medical coverage that any basic coverage be taken. 3050

(D) The association shall file with the superintendent of 3051
insurance any policy, contract, certificate, or other evidence of 3052
insurance, application, or other forms pertaining to such 3053
insurance together with the premium rates to be charged therefor. 3054
The superintendent may approve, disapprove, and withdraw approval 3055
of the forms in accordance with section 3923.02 of the Revised 3056
Code, or the premium rates if by reasonable assumptions such rates 3057
are excessive in relation to the benefits provided. In determining 3058
whether such rates by reasonable assumptions are excessive in 3059
relation to the benefits provided the superintendent shall give 3060
due consideration to past and prospective claim experience, within 3061
and outside this state, and to fluctuations in such claim 3062
experience, to a reasonable risk charge, to contribution to 3063
surplus and contingency funds, to past and prospective expenses, 3064
both within and outside this state, and to all other relevant 3065
factors within and outside this state, including any differing 3066
operating methods of the insurers joining in the issuance of the 3067
policy. In reviewing the forms the superintendent shall not be 3068
bound by the requirements of sections 3923.04 to 3923.07 of the 3069
Revised Code with respect to standard provisions to be included in 3070
sickness and accident policies or forms. 3071

(E) The association may enroll eligible persons for coverage 3073
under the policy through any insurance agent licensed to sell 3074
sickness and accident insurance pursuant to Chapter 3905. of the 3075
Revised Code or section ~~3905.02, 3905.08, 3905.18, or~~ 3941.02 of 3076
the Revised Code. 3077

(F) The association shall file annually with the 3078
superintendent on such date and in such form as the superintendent 3079

may prescribe, a financial summary of its operations. 3080

(G) The association may sue and be sued in its associate name 3081
and for such purposes only shall be treated as a domestic 3082
corporation. Service of process against the association made upon 3083
a managing agent, any member thereof, or any agent authorized by 3084
appointment to receive service of process, shall have the same 3085
force and effect as if the service had been made upon all members 3086
of the association. 3087

(H) Under any policy issued as provided in this section, the 3088
policyholder, or such person as the policyholder shall designate, 3089
shall alone be a member of each domestic mutual insurance company 3090
joining in the issue of the policy and shall be entitled to one 3091
vote by virtue of such policy at the meetings of each such mutual 3092
insurance company. Notice of the annual meetings of each such 3093
mutual insurance company may be given by written notice to the 3094
policyholder or as otherwise prescribed in the policy. 3095

Sec. 3929.30. The president or the vice-president and the 3096
secretary of each insurance company organized under the laws of 3097
this or any other state and doing business in this state, 3098
annually, on the first day of January or within sixty days 3099
thereafter, shall prepare, under oath, and deposit in the office 3100
of the superintendent of insurance a statement of the condition of 3101
such company on the next preceding thirty-first day of December. 3102
The statement shall be submitted on the forms adopted by the 3103
superintendent pursuant to section ~~3905.29~~ 3901.77 of the Revised 3104
Code, and shall exhibit the following facts and items: 3105

(A) The amount of the capital stock of the company, 3106
specifying the amount paid and unpaid; 3107

(B) A detailed statement of all the assets of the company and 3108
the manner of their investment. 3109

(C) The liabilities of the company, specifying:	3110
(1) The amount of losses due and unpaid;	3111
(2) The amount of claims for losses resisted by the company;	3112
(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;	3113 3114 3115
(4) The amount of dividends declared, due, and unpaid;	3116
(5) The amount of dividends, either cash or scrip, declared but not due;	3117 3118
(6) The amount of money borrowed and the security given for its payment;	3119 3120
(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.	3121 3122 3123 3124 3125 3126 3127 3128 3129 3130 3131
(8) The amount of all other existing claims against the company;	3132 3133
(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	3134 3135 3136 3137 3138 3139

reserving principles.	3140
(D) The income of the company during the preceding year,	3141
specifying:	3142
(1) The amount of cash premiums received;	3143
(2) The amount of notes or contingent assets received for	3144
premiums;	3145
(3) The amount of interest money received;	3146
(4) The amount of income received from other sources.	3147
(E) The expenditure during the preceding year, specifying:	3148
(1) The amount of losses paid during the year, stating how	3149
much of them accrued prior, and how much accrued subsequent, to	3150
the date of the preceding statement, and the amount at which	3151
losses were estimated in each preceding statement;	3152
(2) The amount of dividends paid during the year;	3153
(3) The amount of expenses paid during the year, including	3154
commissions and fees to agents and officers of the company;	3155
(4) The amount paid for taxes;	3156
(5) The amount of all payments and expenditures;	3157
(6) The amount of scrip dividend declared.	3158
Sec. 3931.101. The provisions of sections 3905.01 to 3905.04	3159
<u>Chapter 3905.</u> of the Revised Code, relating to the appointment,	3160
licensing, qualification and regulation of insurance agents,	3161
brokers, and solicitors shall apply to all persons authorized to	3162
solicit powers of attorney or applications for contracts of	3163
indemnity for any reciprocal exchange, insurance exchange or	3164
attorney in fact as provided for in Chapter 3931. of the Revised	3165
Code, except a traveling full time salaried non-commission	3166
employee of an attorney whose duties as such employee are	3167

primarily the performance of inspection underwriting, loss 3168
prevention engineering and claim services shall be exempt from 3169
this section and shall be regulated solely by section 3931.11 of 3170
the Revised Code. 3171

Sec. 3931.11. Every attorney shall certify to the 3172
superintendent of insurance the names and addresses of the 3173
attorney's traveling full time salaried non-commission employees, 3174
primarily engaged in performing underwriting, loss prevention 3175
engineering and claim services, authorized by the attorney to 3176
solicit powers of attorney or applications for contracts of 3177
indemnity specified in section 3931.01 of the Revised Code. The 3178
authority of such persons shall continue until the first day of 3179
the next April, unless it is cancelled by the attorney and the 3180
certificate of such cancellation is filed with the superintendent, 3181
or unless the license of the attorney or authority of such person 3182
is revoked or suspended by the superintendent. Expiring 3183
certificates of authority of such persons may be renewed in like 3184
manner to continue until the first day of the next April. The 3185
superintendent shall record the names and addresses of such 3186
persons so that their names may conveniently be inspected and 3187
shall thereupon certify and deliver to the attorney a list of the 3188
names of all persons so recorded. 3189

If the superintendent finds that any such person has 3190
willfully violated, or failed to comply with, sections 3931.01 to 3191
3931.12 of the Revised Code, or has been convicted of a felony in 3192
the United States, or in this or any state, or has been guilty of 3193
any act or acts ~~which~~ that if performed by an agent licensed under 3194
~~section 3905.02~~ Chapter 3905. of the Revised Code would constitute 3195
statutory grounds for the revocation of ~~such~~ the agent's license, 3196
the superintendent may refuse or revoke the authority of the 3197
person and cancel the person's name on the superintendent's 3198
records, and the superintendent shall thereupon notify the person 3199

and the attorney of the revocation. Thereafter the person shall 3200
not act as representative of any attorney until a new certificate 3201
of authority by the attorney thereafter appointing the person is 3202
filed with and approved by the superintendent. 3203

No such person shall act for any attorney in placing 3204
insurance or making such contracts of indemnity, unless the 3205
attorney has the license required by section 3931.10 of the 3206
Revised Code, nor unless the unexpired, unrevoked, and unsuspended 3207
certificate of ~~such~~ the person's authority is filed with the 3208
superintendent. Any such person shall be individually liable on 3209
any contract of indemnity made, issued, or accepted through that 3210
person as representing any attorney who is not licensed by the 3211
superintendent to make such contracts of indemnity. 3212

Sec. 3933.04. No person, firm, or corporation engaged in 3213
selling real or personal property, ~~engaged in the business of~~ 3214
~~financing the purchase of real or personal property, or engaged in~~ 3215
~~the business of lending money on the security of real or personal~~ 3216
~~property,~~ and no trustee, director, officer, agent, or other 3217
employee of any such person, firm, or corporation, shall require, 3218
as a condition precedent to the sale ~~or financing the purchase~~ of 3219
such property, ~~to lending money upon the security of a mortgage~~ 3220
~~thereon, or as a condition prerequisite for the renewal or~~ 3221
~~extension of any such loan or mortgage or for the performance of~~ 3222
~~any other act in connection therewith,~~ that the person, firm, or 3223
corporation purchasing ~~such~~ the property, ~~for whom such purchase~~ 3224
~~is to be financed, to whom the money is to be loaned, or for whom~~ 3225
~~such extension, renewal, or other act is to be granted, or~~ 3226
~~performed,~~ negotiate any policy of insurance or renewal thereof 3227
covering ~~such~~ the property through a particular insurance company, 3228
agent, solicitor, or broker. This section does not prevent the 3229
exercise by any person, firm, or corporation of its right to 3230
designate minimum standards as to the company, the terms and 3231

provisions of the policy, and the adequacy of the coverage with 3232
respect to insurance on property pledged or mortgaged to ~~such~~ the 3233
person, firm, or corporation. 3234

The superintendent of insurance shall, in accordance with 3235
~~sections 119.01 to 119.13, inclusive,~~ Chapter 119. of the Revised 3236
Code, revoke the insurance license of any person, appointee, 3237
agent, solicitor, or broker ~~who~~ that violates this section. 3238

Sec. 3953.21. (A) Every title insurance company authorized to 3239
transact business within this state shall certify annually to the 3240
superintendent of insurance the names of all title insurance 3241
agents representing it in this state in accordance with section 3242
~~3905.02~~ 3905.20 of the Revised Code. 3243

(B) No bank, trust company, bank and trust company, or other 3244
lending institution, mortgage service, brokerage, mortgage 3245
guaranty company, escrow company, real estate company or any 3246
subsidiaries thereof or any individuals so engaged shall be 3247
permitted to act as an agent for a title insurance company. 3248

Sec. 3953.23. (A) Every title insurance agent shall keep 3249
books of account and record and vouchers pertaining to the 3250
business of title insurance in such manner that the title 3251
insurance company may readily ascertain from time to time whether 3252
the agent has complied with this chapter. 3253

(B) A title insurance agent may engage in the business of 3254
handling escrows of real property transactions directly connected 3255
with the business of title insurance, provided that the agent 3256
shall maintain a separate record of all receipts and disbursements 3257
of escrow funds and shall not commingle any such funds with the 3258
agent's own funds or with funds held by the agent in any other 3259
capacity; and if at any time the superintendent of insurance 3260
determines that an agent has failed to comply with any of the 3261

provisions of this section, the superintendent may revoke the 3262
license of the agent pursuant to section ~~3905.02~~ 3905.14 of the 3263
Revised Code, subject to review as provided for in Chapter 119. of 3264
the Revised Code. All agents shall be covered by a fidelity bond 3265
in an amount and with a company satisfactory to the principal. 3266

Sec. 3957.14. (A) No person shall, except for the renewal of 3267
an existing home service contract, procure, receive, or forward 3268
applications for home service contracts unless the person is a 3269
~~resident of this state who is~~ one of the following: 3270

(1) A real estate licensee as licensed by the real estate 3271
division of the department of commerce of this state; 3272

(2) An organization or franchisor or licensor of such a real 3273
estate licensee; 3274

(3) A licensed insurance agent for casualty, property, or 3275
personal lines; 3276

(4) Any other person to whom the superintendent of insurance 3277
has issued a license to perform such services. The superintendent 3278
shall not issue such a license unless the person has paid a fee of 3279
twenty dollars and has been determined by the superintendent to be 3280
qualified. The superintendent shall issue such a license only if 3281
the person successfully passes a written examination prescribed by 3282
the superintendent. 3283

(B) No home warranty company or person acting on behalf of 3284
such a company under division (A) of this section shall pay to any 3285
person who is acting as the agent, representative, attorney, or 3286
employee of the owner or prospective owner of residential property 3287
with respect to which a home service contract is to be issued, any 3288
commission or any other consideration, either directly or 3289
indirectly, as an inducement or compensation for the issuance, 3290
purchase, or acquisition of a home service contract. A home 3291
warranty company may reimburse such persons for expenses actually 3292

incurred in the issuance, sale, advertising, or processing of home 3293
service contracts or in performing an inspection of residential 3294
property with respect to which a home service contract is issued. 3295
No commission shall be paid to any person except a person 3296
authorized to receive such a commission under this section. In the 3297
event a commission is paid, no rebates shall be permitted and the 3298
prohibitions of section 3933.01 of the Revised Code apply. 3299

Sec. 3960.03. All of the following apply to risk retention 3300
groups chartered and licensed in states other than this state, 3301
that seek to do business as a risk retention group in this state: 3302

(A) No risk retention group shall offer insurance in this 3303
state unless it has submitted to the superintendent of insurance, 3304
in a form satisfactory to the superintendent, all of the 3305
following: 3306

(1) A statement identifying the state or states in which it 3307
is chartered and licensed as a liability insurance company, the 3308
date of chartering, its principal place of business, and any other 3309
information, including but not limited to, information on its 3310
membership, that the superintendent may require to verify that it 3311
is qualified under division (J) of section 3960.01 of the Revised 3312
Code; 3313

(2) A copy of its plan of operation or a feasibility study 3314
and revisions of the plan or study submitted to the state in which 3315
the risk retention group is chartered and licensed. Division 3316
(A)(2) of this section does not apply to any line or 3317
classification of liability insurance that was defined in the 3318
federal "Product Liability Risk Retention Act of 1981," 95 Stat. 3319
949, 15 U.S.C.A. 3901, as amended, before October 27, 1986, and 3320
was offered before that date by any risk retention group that had 3321
been chartered and operating for not less than three years before 3322
that date. The risk retention group shall submit a copy of any 3323

revision to its plan of operation or feasibility study required by 3324
division (A)(2) of section 3960.02 of the Revised Code at the same 3325
time that the revision is submitted to the ~~Commissioner~~ 3326
commissioner of ~~Insurance~~ insurance of its chartering state. 3327

(3) A statement of registration, for which a filing fee shall 3328
be determined by the superintendent, that submits it to the 3329
jurisdiction of the superintendent and the courts of this state. 3330
The fee shall be paid into the state treasury to the credit of the 3331
department of insurance operating fund pursuant to section 3332
3901.021 of the Revised Code. 3333

(B) A risk retention group doing business in this state shall 3334
submit to the superintendent all of the following: 3335

(1) A copy of its financial statement submitted to the state 3336
in which the risk retention group is chartered and domiciled, 3337
which shall be certified by an independent public accountant and 3338
contain a statement of opinion on loss and loss adjustment expense 3339
reserves made by a member of the American academy of actuaries or 3340
a qualified loss reserve specialist under criteria established by 3341
the national association of insurance commissioners; 3342

(2) A copy of each examination of the group as certified by 3343
the commissioner or public official conducting the examination; 3344

(3) Upon request by the superintendent, a copy of any 3345
information or document pertaining to any outside audit performed 3346
with respect to the group; 3347

(4) Any information that may be required to verify, to the 3348
superintendent's satisfaction, its continuing qualification as a 3349
risk retention group under division (J) of section 3960.01 of the 3350
Revised Code. 3351

(C)(1) Agents or brokers for the risk retention group shall 3352
report to the superintendent the premiums for direct business for 3353
risks resident or located within this state that they have placed 3354

with or on behalf of a risk retention group not chartered in this state. 3355
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(2) The agent or broker shall keep a complete and separate record of all policies procured from each risk retention group, which record shall be open to examination by the superintendent. These records shall, for each policy and each kind of insurance provided, include the following: 3357
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(a) The limit of liability; 3362

(b) The time period covered; 3363

(c) The effective date; 3364

(d) The name of the risk retention group that issued the policy; 3365
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(e) The gross premium charged; 3367

(f) The amount of return premiums. 3368

(D) Every risk retention group that is not chartered in this state shall do both of the following: 3369
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(1) On or before the ~~first~~ thirty-first day of ~~July~~ January, pay to the treasurer of state five per cent of all premiums, fees, assessments, dues, or other consideration for the preceding one-year period for risks resident or located in this state, as calculated on a form prescribed by the treasurer of state. If such tax is not paid when due, the tax shall be increased by a penalty of twenty-five per cent. An interest charge computed as set forth in section 5725.221 of the Revised Code shall be made on the entire sum of the tax plus penalty, which interest shall be computed from the date the tax is due until it is paid. All taxes collected under this section shall be paid into the general revenue fund. For purposes of division (D)(1) of this section, payment is considered made when it is received by the treasurer of state, irrespective of any United States postal service marking or 3371
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other stamp or mark indicating the date on which the payment may 3385
have been mailed. 3386

(2) ~~Within thirty days after~~ On or before the ~~end~~ 3387
thirty-first day of ~~each quarter~~ January, file a statement with 3388
the superintendent, on a form prescribed by the superintendent, 3389
showing the name and address of the insured, name and address of 3390
the insurer, subject of the insurance, general description of the 3391
coverage, the amount of gross premium, fee, assessment, dues, or 3392
other consideration for the insurance, after a deduction for 3393
return premium, if any, and any other information the 3394
superintendent requires. 3395

(E) The superintendent may examine the financial condition of 3396
a risk retention group if the commissioner of insurance in the 3397
state in which it is chartered and licensed has not initiated an 3398
examination or does not initiate an examination within sixty days 3399
after the superintendent has requested an examination. The 3400
examination shall be conducted in an expeditious manner and in 3401
accordance with the national association of insurance 3402
commissioners' examiner handbook. 3403

(F) The superintendent may issue any order appropriate in 3404
voluntary dissolution proceedings or commence delinquency 3405
proceedings against a risk retention group not chartered in this 3406
state that does business in this state if the superintendent 3407
finds, after an examination of the group under division (E) of 3408
this section, that its financial condition is impaired. A risk 3409
retention group that violates any provision of this chapter is 3410
subject to fines and penalties, including revocation of its right 3411
to do business in this state, applicable to licensed insurers 3412
generally. In addition to complying with the requirements of this 3413
section, any risk retention group operating in this state prior to 3414
enactment of this section shall comply with division (A)(1) of 3415
this section within thirty days after October 26, 1989. 3416

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

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

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

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

Section 2. That existing sections 1751.38, 3901.021, 3901.19, 3901.22, 3901.51, 3901.62, 3903.81, 3905.012, 3905.03, 3905.06, 3905.09, 3905.11, 3905.12, 3905.13, 3905.14, 3905.181, 3905.24, 3905.25, 3905.26, 3905.27, 3905.28, 3905.29, 3905.30, 3905.31, 3905.34, 3905.36, 3905.41, 3905.47, 3905.482, 3905.483, 3905.484, 3905.486, 3905.49, 3905.491, 3905.492, 3905.50, 3905.52, 3905.72, 3905.85, 3905.861, 3905.89, 3905.94, 3905.99, 3907.19, 3909.06,

3911.011, 3923.121, 3929.30, 3931.101, 3931.11, 3933.04, 3953.21, 3447
3953.23, 3957.14, 3960.03, and 3960.11 and sections 3905.01, 3448
3905.011, 3905.013, 3905.02, 3905.04, 3905.07, 3905.08, 3905.15, 3449
3905.16, 3905.17, 3905.18, 3905.19, 3905.20, 3905.21, 3905.22, 3450
3905.23, 3905.40, 3905.48, 3905.51, and 3905.54 of the Revised 3451
Code are hereby repealed. 3452

Section 3. Sections 1 and 2 of this act, except for sections 3453
3905.34, 3905.36, and 3960.03 of the Revised Code, shall take 3454
effect September 1, 2002. Sections 3905.34, 3905.36, and 3960.03 3455
of the Revised Code, as amended by this act, shall take effect at 3456
the earliest time permitted by law and shall first apply in 3457
accordance with Section 4 of this act. 3458

Section 4. Sections 3905.34, 3905.36, and 3960.03 of the 3459
Revised Code, as amended by this act, first apply to the filing or 3460
reporting period that begins January 1, 2003, and concludes 3461
December 31, 2003. For those persons that, on the effective date 3462
of sections 3905.34, 3905.36, and 3960.03 of the Revised Code, as 3463
amended by this act, are subject to a quarterly filing 3464
requirement, the last quarterly filing period concludes December 3465
31, 2002. For those persons that, on the effective date of 3466
sections 3905.34, 3905.36, and 3960.03 of the Revised Code, as 3467
amended by this act, are subject to an annual reporting period 3468
that concludes July 1, 2002, that reporting period is extended for 3469
six months and concludes December 31, 2002. 3470