

As Passed by the Senate

**124th General Assembly
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Sub. S. B. No. 129

SENATORS Nein, Austria

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 52
(3905.15), 3905.492 (3905.24), and 3905.52 (3905.401) be amended 53
for the purpose of adopting new section numbers as indicated in 54
parentheses; and new sections 3905.01, 3905.02, 3905.03, 3905.04, 55

3905.06, 3905.07, 3905.08, 3905.09, 3905.11, 3905.12, 3905.18, 56
3905.181, 3905.20, 3905.21, 3905.22, 3905.26, and 3905.28 and 57
sections 3901.211, 3905.041, 3905.05, 3905.061, 3905.071, 58
3905.072, 3905.081, 3905.201, 3905.211, and 3905.212 of the 59
Revised Code be enacted to read as follows: 60

Sec. 1751.38. (A) As used in this section, "agent" means a 61
person appointed by a health insuring corporation to engage in the 62
solicitation or enrollment of subscribers or enrollees. 63

(B) Agents of health insuring corporations shall be licensed 64
~~pursuant to section 3905.02 or 3905.18 as insurance agents in~~ 65
accordance with Chapter 3905. of the Revised Code. 66

(C) ~~Sections 3905.02, 3905.16 to 3905.18, 3905.181, 3905.19,~~ 67
~~3905.23, 3905.40, 3905.41, 3905.42, 3905.46 to 3905.48, 3905.481,~~ 68
~~3905.482, 3905.486, 3905.49, 3905.491, 3905.492, 3905.50, 3905.71~~ 69
~~to 3905.79, and 3905.99~~ Chapter 3905. of the Revised Code shall 70
apply to health insuring corporations and the agents of health 71
insuring corporations in the same manner in which these sections 72
apply to insurers and agents of insurers. 73

Sec. 3901.021. Three-fourths of all appointment and other 74
fees collected under ~~sections 3905.02, 3905.03, 3905.07, and~~ 75
~~3905.18,~~ section 3905.10, division (B) of section 3905.20, and 76
division (A)(6) of section ~~3905.26~~ 3905.40 of the Revised Code 77
shall be paid into the state treasury to the credit of the 78
department of insurance operating fund, which is hereby created. 79
The remaining one-fourth shall be credited to the general revenue 80
fund. All operating expenses of the department of insurance except 81
those expenses defined under section 3901.07 of the Revised Code 82
shall be paid from the department of insurance operating fund. 83

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

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

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

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

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

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

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

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

Sec. 3901.211. (A) No person that lends money or extends

credit shall do any of the following: 114

(1) Unreasonably reject an insurance policy required in 115
connection with a loan or extension of credit. For purposes of 116
division (A)(1) of this section, a rejection shall be considered 117
unreasonable if either of the following applies: 118

(a) The rejection is based solely on the fact that the policy 119
was issued or underwritten by a person not associated with the 120
person making the loan or extending the credit or an affiliate of 121
that person. 122

(b) The rejection is not based on reasonable and uniformly 123
applied standards relating to the extent of coverage required and 124
the financial soundness and services of an insurer, which 125
standards do not discriminate against any particular type of 126
insurer or require the disapproval of a policy because it contains 127
coverage in addition to that required in connection with the 128
credit transaction. 129

(2) Require a debtor, insurer, insurance agent, or surplus 130
line broker to pay a separate charge in connection with the 131
handling of insurance required in connection with a loan, 132
extension of credit, or other banking product, unless the charge 133
is also required when the person lending the money or extending 134
the credit, or an affiliate of that person, is the licensed 135
insurance agent or surplus line broker. Division (A)(2) of this 136
section does not apply to the interest that may be charged on 137
policy loans or advancements in accordance with the terms of the 138
insurance policy. 139

(3) Use any advertisement or other insurance promotional 140
material that would cause a reasonable person to mistakenly 141
believe either of the following: 142

(a) That the federal or state government is responsible for 143
the insurance sales activities of, or stands behind the credit of, 144

the person making the loan or extending the credit or that 145
person's affiliate; 146

(b) That the federal or state government guarantees any 147
returns on insurance products or is a source of payment on any 148
insurance obligation of, or sold by, the person making the loan or 149
extending the credit or that person's affiliate. 150

(4) Pay or receive commissions or other valuable 151
consideration except in accordance with Chapter 3905. of the 152
Revised Code. However, nothing in division (A)(4) of this section 153
prohibits the payment of compensation to a person not licensed 154
under that chapter for the referral of a customer, if all of the 155
following apply: 156

(a) The compensation is not based on the purchase of 157
insurance by the customer. 158

(b) The compensation is a one-time, nominal fee of a fixed 159
dollar amount for each referral. 160

(c) The referral does not include a discussion of specific 161
insurance policy terms and conditions. 162

(5) As a condition of lending money, extending credit, 163
offering any product or service equivalent to an extension of 164
credit, leasing or selling property of any kind, or furnishing any 165
service in connection with or fixing or varying the consideration 166
for any such activity, require that the customer obtain insurance 167
from a particular company, insurance agent, depository 168
institution, solicitor, broker, or any other person. However, 169
nothing in division (A)(5) of this section prohibits the person or 170
the person's affiliate from doing either of the following: 171

(a) Informing a customer that insurance is required in order 173
to obtain a loan or credit approval, that the loan or credit 174
approval is contingent upon the procurement by the customer of 175

acceptable insurance, or that insurance is available from a 176
particular company, insurance agent, depository institution, 177
solicitor, broker, or other person; 178

(b) If the person is a depository institution or an affiliate 179
of a depository institution, engaging in any activity that does 180
not violate section 106 of the "Bank Holding Company Act 181
Amendments of 1970," 84 Stat. 1760, 12 U.S.C.A. 1971 to 1978, as 182
interpreted by the board of governors of the federal reserve 183
system. 184

(6)(a) If an application for a loan or extension of credit is 185
pending, offer, sell, or require insurance in connection with the 186
loan or extension of credit, unless both of the following occur: 187

(i) A written disclosure is given to the customer indicating 189
that the customer's choice of an insurer or agent will not affect 190
the credit decision or credit terms in any way, except that 191
reasonable standards concerning the creditworthiness of the 192
insurer and the scope of coverage chosen may apply. 193

(ii) A written acknowledgment of the disclosure described in 194
division (A)(6)(a)(i) of this section is obtained from the 195
customer at or prior to the time of the initial purchase of the 196
insurance policy. 197

(b) Division (A)(6)(a) of this section does not apply to the 198
offering or sale of limited line credit insurance as defined in 199
section 3905.01 of the Revised Code. 200

(7) If the person is a depository institution, sell an 201
insurance policy in connection with a loan or extension of credit, 202
unless both of the following occur: 203

(a) A clear and conspicuous disclosure is given in writing, 204
where practicable, to the customer prior to the sale, which 205
disclosure states that the policy is not a deposit, that it is not 206

insured by the federal deposit insurance corporation or any other
federal government agency, that it is not guaranteed by the
depository institution or, if appropriate, by its affiliate or any
person soliciting or selling insurance on its premises, and, if
appropriate, that it involves investment risk, including the
potential loss of principal.

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(b) A written acknowledgment of the disclosure described in
division (A)(7)(a) of this section is obtained from the customer
at or prior to the time of the initial purchase of the insurance
policy.

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(8) Fail to complete credit and insurance transactions
through separate documents when the customer purchases insurance
from the person making the loan or extending the credit, from an
affiliate of that person, or from any person soliciting the
purchase of or selling insurance on the premises of the person
making the loan or extending the credit. Division (A)(8) of this
section does not apply to the purchase or sale of credit or flood
insurance.

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

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(10) If the person is a depository institution, solicit or
sell insurance unless the person's insurance sales activities are,
to the extent practicable, physically segregated from areas in
which retail deposits are routinely accepted.

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(B)(1) The written disclosures and acknowledgements required
under division (A) of this section may, upon consent of the
customer, be provided electronically. If provided electronically,
the disclosures shall be made in a format that enables the
customer to retain and reproduce the disclosure.

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(2) If a purchase of insurance is made by telephone, the disclosures and acknowledgements required under division (A) of this section may be given orally, if all of the following requirements are met: 238
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(a) The disclosures are mailed, or provided in electronic form, to the customer within three business days after the sale of the insurance policy. 242
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(b) Sufficient documentation showing that oral acknowledgement was given by the customer is maintained. 245
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(c) A reasonable effort is made to obtain written acknowledgment from the customer. 247
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(C) Except as specifically provided under division (A) of this section, nothing in this section prevents or restricts a depository institution or its affiliate from engaging directly or indirectly, either by itself or in conjunction with an affiliate or any other person, in any activity authorized under state or federal law. 249
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(D)(1) A violation of division (A) of this section is an unfair and deceptive act or practice in the business of insurance under sections 3901.19 to 3901.26 of the Revised Code. 255
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(2) Any person subject to this section shall, upon reasonable notice, make available to the superintendent all books and records relating to insurance transactions. 258
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Sec. 3901.22. (A) The superintendent of insurance may conduct hearings to determine whether violations of section 3901.20 of the Revised Code have occurred. Any person aggrieved with respect to any act that the person believes to be an unfair or deceptive act or practice in the business of insurance, as defined in section 3901.21 or 3901.211 of the Revised Code or in any rule of the superintendent ~~of insurance~~, may make written application to the 261
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superintendent for a hearing to determine if there has been a 268
violation of section 3901.20 of the Revised Code. The application 269
shall specify the grounds to be relied upon by the applicant. If 270
the superintendent finds that the application is made in good 271
faith, that the applicant would be so aggrieved if ~~his~~ the 272
applicant's grounds are established, and that such grounds 273
otherwise justify holding such a hearing, ~~he~~ the superintendent 274
shall hold a hearing to determine whether the act specified in the 275
application is a violation of section 3901.20 of the Revised Code. 276
Notice of any hearing held under the authority of this section, 277
the conduct of the hearing, the orders issued pursuant to it, the 278
review of the orders and all other matters relating to the holding 279
of the hearing shall be governed by Chapter 119. of the Revised 280
Code. 281

(B) Upon good cause shown, the superintendent shall permit 282
any person to intervene, appear, and be heard at the hearing, 283
either in person or by counsel. 284

(C) The superintendent shall send a copy of the order to 285
those persons intervening in the hearing. 286

(D) If the superintendent, by written order, finds ~~in his~~ 287
~~written order~~ that any person has violated section 3901.20 of the 288
Revised Code, ~~he~~ the superintendent shall issue an order requiring 289
that person to cease and desist from engaging in the violation. In 290
addition, the superintendent may impose any or all of the 291
following administrative remedies upon the person: 292

(1) ~~He~~ The superintendent may suspend or revoke ~~his~~ the 293
person's license to engage in the business of insurance; 294

(2) ~~He~~ The superintendent may order that an insurance company 295
or insurance agency not employ the person or permit the person to 296
serve as a director, consultant, or in any other capacity for such 297
time as the superintendent determines would serve the public 298
interest. No application for termination of such an order for an 299

indefinite time shall be filed within two years of its effective date. 300
date. 301

(3) ~~He~~ The superintendent may order ~~such~~ the person to return 302
any payments received by ~~such~~ the person as a result of the 303
violation; 304

(4) If the superintendent issues an order pursuant to 305
division (D)(3) of this section, ~~he~~ the superintendent shall order 306
~~such~~ the person to pay statutory interest on such payments. 307

If the superintendent does not issue orders pursuant to 308
divisions (D)(3) and (4) of this section, ~~he~~ the superintendent 309
shall expressly state in the cease-and-desist order ~~his~~ the 310
reasons for not issuing such orders. 311

(5) ~~He~~ The superintendent may order ~~such~~ the person to pay to 312
the state treasury for credit to the department's operating fund 313
an amount, not in excess of one hundred thousand dollars, equal to 314
one-half of the expenses reasonably incurred by the superintendent 315
to retain attorneys, actuaries, accountants, and other experts not 316
otherwise a part of the superintendent's staff to assist directly 317
in the conduct of any investigations and hearings conducted with 318
respect to violations committed by ~~such~~ the person. 319

(E) If the superintendent has reasonable cause to believe 320
that an order issued pursuant to division (D) of this section has 321
been violated in whole or in part, ~~he~~ the superintendent may, 322
unless such order is stayed by a court of competent jurisdiction, 323
request the attorney general to commence and prosecute any 324
appropriate action or proceeding in the name of the state against 325
~~such~~ the person. 326

Such action may include, but need not be limited to, the 327
commencement of a class action under Civil Rule 23 on behalf of 328
policyholders, subscribers, applicants for policies or contracts, 329
or other insurance consumers for damages caused by or unjust 330

enrichment received as a result of the violation. 331

(F) In addition to any penalties imposed pursuant to this 332
chapter, the court may, in an action brought pursuant to division 333
(E) of this section, impose any of the following: 334

(1) For each act or practice found to be in violation of 335
section 3901.20 of the Revised Code, a civil penalty of not more 336
than three thousand five hundred dollars for each violation but 337
not to exceed an aggregate penalty of thirty-five thousand dollars 338
in any six-month period, provided that a series of similar acts or 339
practices prohibited by section 3901.20 of the Revised Code and 340
committed by the same person but not in separate insurance sales 341
transactions shall be considered a single violation; 342

(2) For each violation of a cease and desist order issued by 343
the superintendent pursuant to this section, a civil penalty of 344
not more than ten thousand dollars; 345

(3) In addition to any other appropriate relief, the court 346
may order any or all of the remedies specified in division (D) of 347
this section. 348

(G) The superintendent, under a settlement agreement to which 349
a person has consented in writing for the purpose of assuring the 350
person's correction of a series of offenses and future compliance 351
with the laws of this state relating to the business of insurance, 352
may impose a single penalty in whatever amount the parties 353
determine to be justified under the circumstances. 354

(H) A court of common pleas, in a civil action commenced by 356
the attorney general on behalf of the superintendent under Civil 357
Rule 65, may grant a temporary restraining order, preliminary 358
injunction, or permanent injunction to restrain or prevent a 359
violation or threatened violation of any provision of section 360
3901.20 of the Revised Code, if the court finds that the defendant 361

has violated, is violating, or is threatening to violate such
provision, that immediate and irreparable injury, loss, or damage
will result if such relief is not granted, and that no adequate
remedy at law exists to prevent such irreparable injury, loss, or
damage.

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

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

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

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condition of doing business in that country, "clearing 393
corporation" includes a corporation that is organized or existing 394
under the laws of any foreign country and is legally qualified 395
under those laws to effect transactions in securities by 396
computerized book-entry. 397

(B) "Direct participant" means a bank, trust company, or 398
other entity that maintains an account in its name in a clearing 399
corporation and through which an insurance company participates in 400
a clearing corporation. 401

(C) "Federal reserve book-entry system" means the 402
computerized systems sponsored by the United States department of 403
the treasury and agencies and instrumentalities of the United 404
States for holding and transferring securities of the United 405
States government and agencies and instrumentalities in federal 406
reserve banks through banks that are members of the federal 407
reserve system or that otherwise have access to these computerized 408
systems. 409

(D) "Member bank" means a national or state bank or a trust 410
company that is a member of the federal reserve system and through 411
which an insurance company participates in the federal reserve 412
book-entry system. 413

(E) "Provisions of the insurance laws of this state" means 414
provisions of Title XXXIX of the Revised Code related to the 415
deposit of securities for the benefit and security of 416
policyholders, and includes, but is not limited to, sections 417
3901.18, 3901.74, 3901.75, 3901.86, 3903.73, ~~3905.24, 3905.25,~~ 418
~~3905.41,~~ 3907.07, 3909.03, 3909.09, 3909.17, 3913.01, 3913.04, 419
3919.13, 3919.36, 3919.37, 3919.41, 3925.07, 3927.02, 3927.06, 420
3929.01, 3929.07, 3929.08, 3929.09, 3929.10, 3929.11, 3941.30, 421
3941.31, 3941.32, 3941.33, 3941.34, 3941.42, 3953.06, 3953.11, and 422
3957.03 of the Revised Code. 423

(F) "Securities" has the same meaning as in section 1308.01 424
of the Revised Code. 425

Sec. 3901.62. (A) Except as provided in sections 3901.63 and 426
3901.64 of the Revised Code, a domestic ceding insurer that is 427
authorized to do any insurance business in this state may take 428
credit for any reinsurance ceded as either an asset or a reduction 429
of liability only if one of the following applies: 430

(1) The reinsurance is ceded to an assuming insurer that is 431
authorized to do any insurance or reinsurance business in this 432
state. 433

(2) The reinsurance is ceded to an assuming insurer that is 434
not authorized to do any insurance or reinsurance business in this 435
state, provided the reinsurance is ceded to a reinsurance pool or 436
other risk-sharing entity in which participation is required by 437
law, rule, or regulation of the jurisdiction in which the pool or 438
entity is located. 439

(3) The reinsurance is ceded to an assuming insurer that 440
maintains a trust fund in a qualified United States financial 441
institution, as defined in division (B)(2) of section 3901.63 of 442
the Revised Code, for the payment of the valid claims of its 443
United States policyholders and ceding insurers, and their assigns 444
and successors in interest. 445

(B) A trust maintained by an assuming insurer under division 446
(A)(3) of this section shall meet the following requirements: 447

(1) In the case of a single assuming insurer, the trust shall 448
consist of a trusteed account representing the assuming insurer's 449
liabilities attributable to business underwritten in the United 450
States. A trusteed surplus of not less than twenty million dollars 451
shall be maintained by the assuming insurer. 452

(2) In the case of a group of assuming insurers, including 453

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

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

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

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

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(a) The group shall comply with all filing requirements 486
contained in this section. 487

(b) The books and records of the group shall be subject to 488
examination by the superintendent in the same manner as the books 489
and records of insurers are subject to examination by the 490
superintendent in accordance with section 3901.07 of the Revised 491
Code. The group shall bear the expenses of these examinations in 492
the manner provided by that section. 493

(c) Each member of the group shall make available to the 494
superintendent an annual certification of the member's solvency by 495
the member's domiciliary regulator and an independent public 496
accountant. 497

(C) A trust maintained by an assuming insurer under division 498
(A)(3) of this section shall remain in effect for as long as the 499
assuming insurer has outstanding obligations due under the 500
reinsurance agreements subject to the trust. The trust shall be in 501
a form approved by the superintendent and shall include the 502
following: 503

(1) The trust instrument shall provide that contested claims 504
are valid and enforceable upon the final order of any court of 505
competent jurisdiction in the United States. 506

(2) The trust shall vest legal title to its assets in the 507
trustees of the trust for its United States policyholders and 508
ceding insurers, and their assigns and successors in interest. 509

(3) The trust, and the assuming insurer maintaining the 510
trust, shall allow the superintendent to conduct examinations in 511
the same manner as the superintendent conducts examinations of 512
insurers under section 3901.07 of the Revised Code. 513

(D) No later than the last day of February of each year, the 514
trustees of a trust maintained by an assuming insurer under 515
division (A)(3) of this section shall provide the superintendent 516

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.

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(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.

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

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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

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superintendent or by some competent, disinterested person 548
appointed by ~~him~~ the superintendent, and upon the oath of the 549
president or principal officer and the secretary or actuary of 550
~~such~~ the company, that all debts and liabilities due or to become 551
due upon any contract or agreement made with any citizen or 552
resident of the United States are paid and extinguished. The 553
superintendent may deliver to ~~such~~ the company or association or 554
its assigns any portion of ~~such~~ the securities on being satisfied 555
that an equal proportion of the debts and liabilities due or to 556
become due upon any such contract or agreement have been 557
satisfied, if the amount of securities retained by ~~him~~ the 558
superintendent is not less than twice the amount of the remaining 559
liabilities. 560

Sec. ~~3905.25~~ 3901.75. When any insurance company or 561
corporation other than life, which company or corporation has made 562
a deposit with the superintendent of insurance, intends to 563
discontinue its business in this state, the superintendent, upon 564
the application of ~~such~~ the company or corporation, shall give 565
notice at its expense of such intention at least once a week for 566
six weeks in three newspapers of general circulation in the state. 567

After such publication, the superintendent shall deliver to 568
~~such~~ the company or association its securities held by ~~him~~ the 569
superintendent, if ~~he~~ the superintendent is satisfied by the 570
affidavits of the principal officers of the company, and on an 571
examination made by ~~him~~ the superintendent or by some competent, 572
disinterested person appointed by ~~him~~ the superintendent if ~~he~~ the 573
superintendent deems it necessary, that all liabilities and 574
obligations which ~~said~~ the deposit has been made to secure have 575
been paid and extinguished. The superintendent may deliver to ~~such~~ 576
the company or its assigns, under like condition, any portion of 577
~~such~~ the securities on being satisfied that an equal proportion of 578
~~said~~ the liabilities and obligations have been satisfied, if the 579

amount of securities retained by ~~him~~ the superintendent is not 580
less than twice the amount of the remaining liabilities and 581
obligations. 582

Sec. ~~3905.28~~ 3901.76. As used in this section, "securities" 583
means the stocks, bonds, debentures, and other assets subject from 584
time to time to valuation by the committee on valuation of 585
securities of the national association of insurance commissioners. 586

For the purpose of enabling the superintendent of insurance 587
to secure the analyses, reports, and information developed by the 588
committee on valuation of securities of the national association 589
of insurance commissioners and to pay for such information by 590
cooperating with other states in defraying the expenses of ~~such~~ 591
the committee in the investigation, analysis, and valuation of 592
securities and the determination of amortizability of bonds owned 593
by life insurance companies for the purpose of furnishing to the 594
several states on a uniform basis the information needed in the 595
supervision of insurance companies licensed to transact business 596
in the several states, there is hereby created in the state 597
treasury the security valuation expense fund. 598

The superintendent may collect and disburse, in cooperation 599
with supervisory officials of other states, the moneys obtained 600
through assessments as provided in this section. All moneys which 601
are paid into the fund shall be used only for the purpose of this 602
section. 603

The superintendent may contract with the committee to make 604
available to the department of insurance the analyses, reports, 605
and information developed by the committee and, after taking into 606
consideration similar payments ~~which~~ that may be made by other 607
states, may make payment to ~~such~~ the committee to the extent 608
authorized by this section, on account of the expenses of the 609
committee, from the fund. 610

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

If the superintendent is satisfied as to the reasonableness of ~~such the~~ the budget estimate, ~~he~~ the superintendent shall determine the portion of the moneys required by ~~such the~~ the budget estimate, to be assessed as provided in this section, by deducting from ~~such the~~ the budget estimate or from the sum of two hundred fifty thousand dollars, whichever is less, any amounts received or receivable by the committee from states with laws that do not substantially conform to the method of assessment provided in this section and applying to the remainder the proportion ~~which that~~ that the total investments in securities of domestic life insurers bear to the total investments in securities of life insurers domiciled in this and other states with laws that authorize and require assessments on substantially the same basis as provided in this section. The superintendent shall thereafter, as soon as convenient, by notice stating the method of computation thereof, assess the amount to be paid on account of such expenses, pro rata upon all domestic life insurers in the proportion ~~which that~~ that the total investments in securities of each domestic life insurer bear to the total investments in securities of all domestic life insurers. The total investments in securities of any life insurer for purposes of this section shall be the total admitted value of the securities reported as such in its annual statement last filed prior to such assessment with the department or with the supervisory officials of its state of domicile. Upon receipt of ~~such the~~ the notice each domestic life insurance company shall within thirty days thereafter pay the amount of the assessment to the superintendent, who shall deposit the amount in the state treasury to the credit

of the fund. The superintendent shall make such disbursements from 643
the fund in amounts and at the times determined by the 644
superintendent under ~~his~~ the superintendent's contract with the 645
committee. 646

The superintendent shall require annually, and at such other 647
times as ~~he~~ the superintendent considers ~~it~~ necessary or 648
advisable, a duly certified audit of receipts and disbursements 649
and statement of assets and liabilities, showing the details of 650
the financial operations of the committee. 651

Sec. ~~3905.29~~ 3901.77. (A) The superintendent of insurance 652
shall adopt the forms, instructions, and manuals prescribed by the 653
national association of insurance commissioners, for the 654
preparation and filing of statutory financial statements and other 655
financial information. However, the superintendent may by rule 656
adopt modifications to ~~such~~ the prescribed forms, instructions, 657
and manuals as ~~he~~ the superintendent considers necessary. 658

(B) For circumstances not addressed by the forms, 659
instructions, and manuals prescribed by the national association 660
of insurance commissioners, the superintendent may determine 661
accounting practices and methods for purposes of preparing 662
statutory financial statements and other financial information. 663

(C) The superintendent shall furnish each domestic insurance 664
company a printed copy of the forms for the filing of statutory 665
financial statements and other financial information required to 666
be made by it. 667

Sec. ~~3905.09~~ 3901.78. Upon the filing of each of its annual 668
statements, or as soon thereafter as practicable, the 669
superintendent of insurance shall issue to each insurance company 670
or association authorized to do business in this state a 671
certificate that it has complied with the laws of this state. Such 672

certificate of compliance shall also contain a statement of the 673
amounts of the paid-up capital stock, assets, liabilities, income, 674
and expenditures of the company or association for the preceding 675
year, as shown by its annual statement for that year. The 676
superintendent shall issue to each newly-applying company or 677
association ~~which he~~ that the superintendent finds should be 678
authorized to do business in this state, a certificate that it has 679
complied with the laws of this state, which certificate shall 680
contain a statement of the amounts of its paid-up capital stock, 681
assets, liabilities, income, and expenditures as shown by a 682
financial statement submitted by it, under the oath of its 683
officers. 684

Sec. ~~3905.11~~ 3901.781. Annually, and before the time of 685
making its report to the superintendent of insurance as required 686
by section ~~3905.12~~ 3901.782 of the Revised Code, each insurance 687
company and association not incorporated under the laws of this 688
state shall publish its certificate of compliance in every county 689
where it has an agency, in a newspaper published and of general 690
circulation in such county. 691

No newspaper shall be deemed a newspaper of general 692
circulation unless it has been established for at least one year, 693
is printed in the English language, and has a circulation in the 694
county in which it is published as follows: 695

(A) In a county having at the last preceding federal census a 696
population of not more than thirty thousand, a circulation of six 697
hundred; 698

(B) In a county having a population of over thirty thousand 699
and not more than fifty thousand, a circulation of eight hundred; 700

(C) In a county having a population of over fifty thousand 701
and not more than one hundred thousand, a circulation of twelve 702
hundred; 703

(D) In a county having a population of over one hundred 704
thousand and not more than one hundred fifty thousand, a 705
circulation of two thousand; 706

(E) In counties having a population of more than one hundred 707
fifty thousand, a circulation of three thousand. 708

Before publication of any certificate of compliance, the 709
manager, editor, or proprietor of a newspaper shall certify under 710
oath on a prepared blank, furnished ~~him~~ the manager, editor, or 711
proprietor on application by the superintendent ~~of insurance~~, the 712
information prescribed in this section for determining whether it 713
is a newspaper of general circulation, and if such affidavit shows 714
that the newspaper is one of general circulation, the 715
superintendent shall deliver to ~~him~~ the manager, editor, or 716
proprietor a certificate that such newspaper is one of general 717
circulation. 718

Sec. ~~3905.12~~ 3901.782. On or before the first day of October 719
of each year, each insurance company and association doing 720
business in this state, which company or association is not 721
incorporated under the laws thereof, shall file with the 722
superintendent of insurance, upon blanks prepared and upon 723
application furnished by ~~him~~ the superintendent, a report in 724
writing under oath of its president and secretary showing the 725
counties in which publication of its certificate of authority to 726
do business was made, the counties in which it had agencies at the 727
time of such publication, and the names of the newspapers in which 728
the publication was made, with a copy of the certificate so 729
published attached thereto. 730

Sec. ~~3905.13~~ 3901.783. If any insurance company or 731
association mentioned in section ~~3905.12~~ 3901.782 of the Revised 732
Code fails to comply with the laws relating to the publication of 733

the certificate mentioned in ~~such~~ that section, the superintendent 734
of insurance shall suspend its authority to do business in any 735
county ~~where such~~ in which the publication has not been made, 736
until ~~such~~ the publication is made, but if it appears that ~~such~~ 737
the publication has not been made in any county through mistake or 738
oversight, such authority shall not be suspended in the county if 739
~~such~~ the publication is made within a time designated by the 740
superintendent. 741

Sec. ~~3905.14~~ 3901.784. Publication of a certificate of 742
compliance in a newspaper shall not be approved by the 743
superintendent of insurance unless prior to ~~such~~ the publication 744
~~he~~ the superintendent has certified that ~~such~~ the newspaper is one 745
published and of general circulation in the county, but if 746
publication has been made in any such newspaper without ~~such~~ the 747
certification and a report filed as required by section ~~3905.12~~ 748
3901.782 of the Revised Code, and ~~such~~ the certificate of the 749
superintendent is procured within the time ~~he~~ the superintendent 750
designates, publication in ~~such~~ the newspaper shall be approved. 751
The superintendent shall keep a book in which shall be recorded 752
the names of the newspapers so certified as newspapers of general 753
circulation, which book shall be open to inspection, and every 754
such certificate of circulation shall remain in force until 755
revoked, provided that the superintendent may demand further 756
certificates as to the circulation of any such newspaper. 757

Sec. ~~3905.41~~ 3901.86. (A) When the laws of any other state, 758
district, territory, or nation impose any taxes, fines, penalties, 759
license fees, deposits of money, securities, or other obligations 760
or prohibitions on insurance companies of this state doing 761
business in ~~such~~ that state, district, territory, or nation, or 762
upon their agents therein, the same obligations and prohibitions 763
shall be imposed upon insurance companies of ~~such~~ the other state, 764

district, or nation doing business in this state and upon their 765
agents. 766

When the laws of any other state, district, territory, or 767
nation impose a requirement for countersignature and payment of a 768
fee or commission upon agents of this state for placing any 769
coverage in that state, district, territory, or nation, then the 770
same requirements of countersignature and fee or commission shall 771
be imposed upon agents of that state, district, territory, or 772
nation for placing any coverage in this state. 773

(B) Beginning on ~~the effective date of this amendment~~ July 1, 774
1993, twenty per cent of the amount that is collected under 775
division (A) of this section from foreign insurance companies that 776
sell fire insurance to residents of this state shall be paid into 777
the state fire marshal's fund created under section 3737.71 of the 778
Revised Code. The director of commerce, with the approval of the 779
director of budget and management, may increase the percentage 780
described in this division so that it will yield an amount that 781
the director of commerce determines necessary to assist in the 782
maintenance and administration of the office of the fire marshal 783
and in defraying the costs of operating the Ohio fire academy 784
established by section 3737.33 of the Revised Code. 785

Sec. 3903.81. As used in sections 3903.81 to 3903.93 of the 786
Revised Code: 787

(A) "Adjusted RBC report" means an RBC report that has been 788
adjusted by the superintendent of insurance in accordance with 789
division (C) of section 3903.82 of the Revised Code. 790

(B) "Authorized control level RBC" means the number 791
determined under the risk-based capital formula in accordance with 792
the RBC instructions. 793

(C) "Company action level RBC" means the product of 2.0 and 794
an insurer's authorized control level RBC. 795

(D) "Corrective order" means an order issued by the	796
superintendent of insurance in accordance with division (B)(3) of	797
section 3903.84 of the Revised Code specifying corrective actions	798
that the superintendent has determined are required.	799
(E) "Domestic insurer" means any insurance company organized	800
under Chapter 3907. or 3925. of the Revised Code.	801
(F) "Foreign insurer" means any insurance company licensed	802
under section 3909.01 or 3927.01 of the Revised Code.	803
(G) "Life or health insurer" means any insurance company	804
licensed under section 3907.08 or 3909.01 of the Revised Code, or	805
a company possessing a certificate of authority pursuant to	806
section 3929.01 of the Revised Code that writes only accident and	807
health insurance.	808
(H) "Mandatory control level RBC" means the product of .70	809
and an insurer's authorized control level RBC.	810
(I) "NAIC" means the national association of insurance	811
commissioners.	812
(J) "Negative trend" means a negative trend over a period of	813
time for a life or health insurer as determined in accordance with	814
the trend test calculation included in the RBC instructions.	815
(K) "Property and casualty insurer" means any insurance	816
company that has a certificate of authority pursuant to section	817
3929.01 of the Revised Code. "Property and casualty insurer" does	818
not include monoline mortgage guarantee insurers, financial	819
guarantee insurers, or title insurers.	820
(L) "RBC" means risk based capital.	821
(M) "RBC ⁴ instructions" means the RBC report, including	822
risk-based capital instructions, as adopted by the NAIC and as	823
amended by the NAIC from time to time in accordance with the	824
procedures adopted by the NAIC. However, no NAIC amendment to the	825

RBC instructions shall become effective until the superintendent 826
has adopted by rule the RBC instructions as so amended. "RBC 827
instructions" shall also include any modifications adopted by the 828
superintendent, as the superintendent considers to be necessary. 829

(N) "RBC level" means an insurer's company action level RBC, 830
regulatory action level RBC, authorized control level RBC, or 831
mandatory control level RBC. 832

(O) "RBC plan" means a comprehensive financial plan 833
containing the elements specified in division (B) of section 834
3903.83 of the Revised Code. 835

(P) "Revised RBC plan" means an RBC plan rejected by the 836
superintendent of insurance and then revised by an insurer with or 837
without incorporating the superintendent of insurance's 838
recommendation. 839

(Q) "RBC report" means the report required by section 3903.82 840
of the Revised Code. 841

(R) "Regulatory action level RBC" means the product of 1.5 842
and an insurer's authorized control level RBC. 843

(S) "Total adjusted capital" means the sum of both of the 844
following: 845

(1) An insurer's statutory capital and surplus as determined 846
in accordance with the statutory accounting applicable to the 847
annual statements prepared on a form adopted under section ~~3905.29~~ 848
3901.77 of the Revised Code, as required to be filed by sections 849
3907.19, 3909.06, and 3929.30 of the Revised Code; 850

(2) Such other items, if any, as the RBC instructions may 851
provide. 852

Sec. 3905.01. As used in this chapter: 853

(A) "Business entity" means a corporation, association, 854

partnership, limited liability company, limited liability 855
partnership, or other legal entity. 856

(B) "Home state" means the state or territory of the United 857
States, including the District of Columbia, in which an insurance 858
agent maintains the insurance agent's principal place of residence 859
or principal place of business and is licensed to act as an 860
insurance agent. 861

(C) "Insurance" means any of the lines of authority set forth 862
in Chapter 1739., 1751., or 1761. or Title XXXIX of the Revised 863
Code, or as additionally determined by the superintendent of 864
insurance. 865

(D) "Insurance agent" or "agent" means any person that, in 866
order to sell, solicit, or negotiate insurance, is required to be 867
licensed under the laws of this state, including limited lines 868
insurance agents and surplus line brokers. 869

(E) "Insurer" has the same meaning as in section 3901.32 of 870
the Revised Code. 871

(F) "License" means the authority issued by the 872
superintendent to a person to act as an insurance agent for the 873
lines of authority specified, but that does not create any actual, 874
apparent, or inherent authority in the person to represent or 875
commit an insurer. 876

(G) "Limited line credit insurance" means credit life, credit 877
disability, credit property, credit unemployment, involuntary 878
unemployment, mortgage life, mortgage guaranty, mortgage 879
disability, guaranteed automobile protection insurance, or any 880
other form of insurance offered in connection with an extension of 881
credit that is limited to partially or wholly extinguishing that 882
credit obligation and that is designated by the superintendent as 883
limited line credit insurance. 884

(H) "Limited line credit insurance agent" means a person that 885

sells, solicits, or negotiates one or more forms of limited line credit insurance to individuals through a master, corporate, group, or individual policy. 886
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(I) "Limited lines insurance" means those lines of authority set forth in division (B)(7) to (10) of section 3905.06 of the Revised Code or in rules adopted by the superintendent, or any lines of authority the superintendent considers necessary to recognize for purposes of complying with division (B) of section 3905.072 of the Revised Code. 889
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(J) "Limited lines insurance agent" means a person authorized by the superintendent to sell, solicit, or negotiate limited lines insurance. 895
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(K) "NAIC" means the national association of insurance commissioners. 898
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(L) "Negotiate" means to confer directly with, or offer advice directly to, a purchaser or prospective purchaser of a particular contract of insurance with respect to the substantive benefits, terms, or conditions of the contract, provided the person that is conferring or offering advice either sells insurance or obtains insurance from insurers for purchasers. 900
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(M) "Person" means an individual or a business entity. 906

(N) "Sell" means to exchange a contract of insurance by any means, for money or its equivalent, on behalf of an insurer. 907
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(O) "Solicit" means to attempt to sell insurance, or to ask or urge a person to apply for a particular kind of insurance from a particular insurer. 909
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(P) "Superintendent" or "superintendent of insurance" means the superintendent of insurance of this state. 912
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(Q) "Terminate" means to cancel the relationship between an insurance agent and the insurer or to terminate an insurance 914
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agent's authority to transact insurance. 916

(R) "Uniform application" means the NAIC uniform application 917
for resident and nonresident agent licensing, as amended by the 918
NAIC from time to time. 919

(S) "Uniform business entity application" means the NAIC 920
uniform business entity application for resident and nonresident 921
business entities, as amended by the NAIC from time to time. 922

Sec. 3905.02. No person shall sell, solicit, or negotiate 923
insurance in this state unless the person is licensed for that 924
line of authority in accordance with this chapter. 925

Sec. 3905.03. (A) Section 3905.02 of the Revised Code does 926
not apply to any of the following: 927

(1) Any insurer. For purposes of this division, "insurer" 928
does not include an insurer's officers, directors, employees, 929
subsidiaries, or affiliates. 930

(2) Any officer, director, or employee of an insurer or of an 931
insurance agent, provided the officer, director, or employee does 932
not receive any commission on policies written or sold to insure 933
risks residing, located, or to be performed in this state and any 934
of the following applies: 935

(a) The activities of the officer, director, or employee are 936
executive, administrative, managerial, clerical, or any 937
combination thereof, and are only indirectly related to the sale, 938
solicitation, or negotiation of insurance. 939

(b) The function of the officer, director, or employee 940
relates to underwriting, loss control, inspection, or the 941
processing, adjusting, investigation, or settling of a claim on a 942
contract of insurance. 943

(c) The officer, director, or employee is acting in the 944

capacity of a special agent or agency supervisor, provided the 945
activities of the officer, director, or employee are limited to 946
providing technical advice and assistance to licensed insurance 947
agents and do not include the sale, solicitation, or negotiation 948
of insurance. 949

(3) Any person who secures and furnishes information for 950
purposes of group life insurance, group property and casualty 951
insurance, group annuities, or group or blanket accident and 952
health insurance, or for purposes of enrolling individuals under 953
plans, issuing certificates under plans, or otherwise assisting in 954
administering plans, or who performs administrative services 955
related to mass marketed property and casualty insurance, provided 956
that no commission is paid to the person for any of the services 957
described in this division; 958

(4) Any employer or association, any officer, director, or 959
employee of an employer or association, or any trustee of an 960
employee trust plan, to the extent that any such person is engaged 961
in the administration or operation of an employee benefits program 962
for the employer's or association's own employees or for the 963
employees of its subsidiaries or affiliates, if both of the 964
following apply: 965

(a) The employee benefits program involves the use of 966
insurance contracts issued by an insurer. 967

(b) The employer, association, officer, director, employee, 968
or trustee is not in any manner compensated, either directly or 969
indirectly, by the insurer issuing the insurance contracts. 970

(5) Any employee of an insurer or of an organization employed 971
by an insurer, if the employee is engaged in the inspection, 972
rating, or classification of risks or in the supervision of the 973
training of insurance agents, and is not individually engaged in 974
the sale, solicitation, or negotiation of insurance; 975

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

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

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

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

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

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

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

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(d) The servicing of existing insurance policies issued by or

through the employee's employer, provided the servicing is not 1007
part of a solicitation; 1008

(e) The performance of clerical or ministerial duties. 1009

(10) Any employee of a creditor with respect to limited line 1010
credit insurance products, as long as the employee of the creditor 1011
is not paid by, and does not receive a fee, commission, or any 1012
other form of compensation from, an insurance agent or insurance 1013
company. 1014

(B) The superintendent of insurance may adopt rules in 1015
accordance with Chapter 119. of the Revised Code to set forth the 1016
specific acts the performance of which either require or do not 1017
require licensure as an insurance agent. 1018

Sec. 3905.04. (A) Except as otherwise provided in section 1019
3905.041 of the Revised Code, a resident individual applying for 1020
an insurance agent license for any of the lines of authority 1021
described in division (B) of this section shall take a written 1022
examination. The examination shall test the knowledge of the 1023
individual with respect to the lines of authority for which 1024
application is made, the duties and responsibilities of an 1025
insurance agent, and the insurance laws of this state. Before 1026
admission to the examination, each individual shall pay the 1027
nonrefundable fee required under division (D) of section 3905.40 1028
of the Revised Code. 1029

(B) The examination described in division (A) of this section 1030
shall be required for the following lines of authority: 1031

(1) Any of the lines of authority set forth in divisions 1032
(B)(1) to (6) of section 3905.06 of the Revised Code; 1033

(2) Title insurance; 1034

(3) Surety bail bonds as provided in sections 3905.83 to 1035
3905.95 of the Revised Code; 1036

(4) Any other line of authority designated by the 1037
superintendent of insurance. 1038

(C) An individual shall not be permitted to take the 1039
examination described in division (A) of this section unless one 1040
or both of the following apply: 1041

(1) The individual has earned a bachelor's or associate's 1042
degree in insurance from an accredited institution. 1043

(2) The individual has completed, for each line of authority 1044
for which the individual has applied, twenty hours of study in a 1045
program of insurance education approved by the superintendent, in 1046
consultation with the insurance agent education advisory council, 1047
under criteria established by the superintendent. Division (C)(2) 1048
of this section does not apply with respect to title insurance or 1049
any other line of authority designated by the superintendent. 1050

(D) An individual who fails to appear for an examination as 1052
scheduled, or fails to pass an examination, may reapply for the 1053
examination if the individual pays the required fee and submits 1054
any necessary forms prior to being rescheduled for the 1055
examination. 1056

(E)(1) The superintendent may, in accordance with Chapter 1057
119. of the Revised Code, adopt any rule necessary for the 1058
implementation of this section. 1059

(2) The superintendent may make any necessary arrangements, 1060
including contracting with an outside testing service, for the 1061
administration of the examinations and the collection of the fees 1062
required by this section. 1063

Sec. 3905.041. (A)(1) An individual who applies for a 1064
resident insurance agent license in this state within ninety days 1065
after establishing a principal place of residence or principal 1066

place of business in this state shall not be required under 1067
section 3905.04 of the Revised Code to complete a program of 1068
insurance education or to pass a written examination if either of 1069
the following applies: 1070

(a) The individual is currently licensed in another state and 1071
is in good standing for the line or lines of authority requested. 1072

1073

(b) The individual was previously licensed in another state, 1074
the individual's application for a resident insurance agent 1075
license in this state is received within ninety days after the 1076
cancellation of the individual's previous license, and, at the 1077
time of license cancellation, the individual was in good standing 1078
for the line or lines of authority requested. 1079

(2) To determine an applicant's licensure and standing status 1080
in another state, the superintendent of insurance may utilize the 1081
producer database maintained by the NAIC or its affiliates or 1082
subsidiaries. If that information is not available on the producer 1083
database, the superintendent may require a certification letter 1084
from the prior home state. 1085

(B) An individual who applies for a temporary insurance agent 1086
license in this state shall not be required under section 3905.04 1087
of the Revised Code to complete any prelicensing education or to 1088
pass a written examination. 1089

(C) The superintendent may exempt any limited lines insurance 1090
from the examination requirement of section 3905.04 of the Revised 1091
Code. 1092

Sec. 3905.05. (A) A natural person shall apply for a resident 1093
insurance agent license by submitting to the superintendent of 1094
insurance the uniform application or any other application 1095
prescribed by the superintendent, any additional information 1096

required by the superintendent, and a declaration made under 1097
penalty of refusal, suspension, or revocation of the license, that 1098
the statements made in the application are true, correct, and 1099
complete to the best of the applicant's knowledge and belief. 1100
1101

The applicant shall also request a criminal records check 1102
conducted by the superintendent of the bureau of criminal 1103
identification and investigation in accordance with section 1104
109.572 of the Revised Code, and direct that the bureau's written 1105
response to that request be transmitted to the superintendent of 1106
insurance, or to the superintendent's designee, as specified on 1107
the form prescribed pursuant to that section. The superintendent 1108
of insurance, in the superintendent's discretion, may designate 1109
other governmental agencies or other sources to conduct the 1110
criminal records check. If the superintendent of insurance or the 1111
superintendent's designee fails to receive a response to a 1112
requested criminal records check, or if the applicant fails to 1113
request the criminal records check, the superintendent may refuse 1114
to issue a license under this section. The applicant shall pay any 1115
fee required for conducting the criminal records check. 1116

(B) A business entity acting as an insurance agent shall 1117
apply for a resident insurance agent license by submitting to the 1118
superintendent of insurance the uniform business entity 1119
application or any other application prescribed by the 1120
superintendent. 1121

(C) The superintendent may require an applicant to submit any 1122
document reasonably necessary to verify the information contained 1123
in an application. 1124

Sec. 3905.06. (A)(1) The superintendent of insurance shall 1125
issue a resident insurance agent license to an individual 1126
applicant whose home state is Ohio, if the superintendent finds 1127

all of the following: 1128

(a) The applicant is at least eighteen years of age. 1129

(b) The applicant has not committed any act that is a ground 1130
for the denial, suspension, or revocation of a license under 1131
section 3905.14 of the Revised Code. 1132

(c) If required under section 3905.04 of the Revised Code, 1133
the applicant has completed a program of insurance education for 1134
each line of authority for which the applicant has applied. 1135

(d) If required under section 3905.04 of the Revised Code, 1136
the applicant has passed an examination for each line of authority 1137
for which the applicant has applied. 1138

(e) The applicant is of good reputation and character, is 1139
honest and trustworthy, and is otherwise suitable to be licensed. 1140

(2) The superintendent shall issue a resident insurance agent 1141
license to a business entity applicant if the superintendent finds 1142
all of the following: 1143

(a) The applicant either is domiciled in Ohio or maintains 1144
its principal place of business in Ohio. 1145

(b) The applicant has designated a licensed insurance agent 1146
who will be responsible for the applicant's compliance with the 1147
insurance laws of this state. 1148

(c) The applicant has not committed any act that is a ground 1149
for the denial, suspension, or revocation of a license under 1150
section 3905.14 of the Revised Code. 1151

(B) An insurance agent license issued pursuant to division 1152
(A) of this section shall state the licensee's name, the license 1153
number, the date of issuance, the date the license expires, the 1154
line or lines of authority for which the licensee is qualified, 1155
and any other information the superintendent deems necessary. 1156

<u>A licensee may be qualified for any of the following lines of</u>	1157
<u>authority:</u>	1158
<u>(1) Life, which is insurance coverage on human lives,</u>	1159
<u>including benefits of endowment and annuities, and may include</u>	1160
<u>benefits in the event of death or dismemberment by accident and</u>	1161
<u>benefits for disability income;</u>	1162
<u>(2) Accident and health, which is insurance coverage for</u>	1163
<u>sickness, bodily injury, or accidental death, and may include</u>	1164
<u>benefits for disability income;</u>	1165
<u>(3) Property, which is insurance coverage for the direct or</u>	1166
<u>consequential loss or damage to property of any kind;</u>	1167
<u>(4) Casualty, which is insurance coverage against legal</u>	1168
<u>liability, including coverage for death, injury, or disability or</u>	1169
<u>damage to real or personal property;</u>	1170
<u>(5) Variable life and variable annuity products, which is</u>	1171
<u>insurance coverage provided under variable life insurance</u>	1172
<u>contracts and variable annuities;</u>	1173
<u>(6) Personal lines, which is property and casualty insurance</u>	1174
<u>coverage sold to individuals and families for noncommercial</u>	1175
<u>purposes;</u>	1176
<u>(7) Credit, which is limited line credit insurance;</u>	1177
<u>(8) Title, which is insurance coverage against loss or damage</u>	1178
<u>suffered by reason of liens against, encumbrances upon, defects</u>	1179
<u>in, or the unmarketability of, real property;</u>	1180
<u>(9) Surety bail bond, which is the authority set forth in</u>	1181
<u>sections 3905.83 to 3905.95 of the Revised Code;</u>	1182
<u>(10) Any other line of authority designated by the</u>	1183
<u>superintendent.</u>	1184
<u>(C) A resident insurance agent license shall be perpetual</u>	1185

unless surrendered by the licensee or suspended or revoked by the 1186
superintendent. 1187

Sec. 3905.061. (A) If a person licensed as an insurance agent 1188
under section 3905.06 of the Revised Code changes the person's 1189
address within the state, the person shall, within thirty days 1190
after making that change, file a change of address with the 1191
superintendent of insurance. 1192

(B)(1) If a person licensed as an insurance agent under 1193
section 3905.06 of the Revised Code changes the person's state of 1194
residence, the person shall, within thirty days after making that 1195
change, file a change of address with the superintendent and 1196
provide the superintendent with certification from the new state 1197
of residence. 1198

(2) If an insurance agent complies with division (B)(1) of 1199
this section, the agent's license shall be changed to that of a 1200
nonresident license and no fee or license application shall be 1201
required. 1202

Sec. 3905.07. (A) The superintendent of insurance shall issue 1203
a nonresident insurance agent license to an applicant that is a 1204
nonresident person if the superintendent finds all of the 1205
following: 1206

(1) The applicant is currently licensed as a resident and is 1207
in good standing in the applicant's home state. 1208

(2) The applicant has submitted the request for licensure 1209
prescribed by the superintendent. 1210

(3) The applicant has submitted or has had transmitted to the 1211
superintendent the application for licensure that the applicant 1212
submitted to the applicant's home state or a completed uniform 1213
application or uniform business entity application, as applicable. 1214
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(4) The applicant has not committed any act that is a ground for the denial, suspension, or revocation of a license under section 3905.14 of the Revised Code. 1216
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(5) The applicant is of good reputation and character, is honest and trustworthy, and is otherwise suitable to be licensed. 1219
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(6) The applicant's home state issues nonresident insurance agent licenses to residents of this state on the same basis as set forth in division (A) of this section. 1221
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(B) To determine an applicant's licensure and standing status in another state, the superintendent may utilize the producer database maintained by the NAIC or its affiliates or subsidiaries. If that information is not available on the producer database, the superintendent may require a certification letter from the prior home state. 1224
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(C) A nonresident insurance agent license shall be perpetual unless surrendered by the licensee or suspended or revoked by the superintendent. 1230
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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. 1233
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(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 1239
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which the principal place of business is located. 1246

(B) If a nonresident insurance agent complies with division 1247
(A) of this section, no fee or license application shall be 1248
required. 1249

Sec. 3905.072. Notwithstanding any other provision of this 1250
chapter, the superintendent of insurance shall issue to a 1251
nonresident person licensed as a limited line credit insurance 1252
agent or other type of limited lines insurance agent in the 1253
person's home state a nonresident limited lines insurance agent 1254
license in accordance with division (A) of section 3905.07 of the 1255
Revised Code, with the same scope of authority as the person has 1256
under the license issued by the person's home state. However, the 1257
recognition of a limited lines authority under this section shall 1258
not create any new line of authority. 1259

For purposes of this section, "limited lines insurance" means 1260
any authority granted by the home state that is less than the 1261
total authority provided in the associated major lines set forth 1262
in divisions (B)(1) to (6) of section 3905.06 of the Revised Code. 1263
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Sec. 3905.08. (A) The superintendent of insurance shall waive 1265
all requirements under this chapter for a nonresident insurance 1266
agent license, except the requirements set forth in sections 1267
3905.07 to 3905.072 of the Revised Code, for every applicant that 1268
is currently licensed as a resident agent and is in good standing 1269
in the applicant's home state, if the applicant's home state 1270
awards nonresident agent licenses to residents of this state on 1271
the same basis. 1272

(B) A nonresident insurance agent's satisfaction of the 1273
continuing education requirements for insurance agents of the 1274
agent's home state shall constitute satisfaction of the continuing 1275

education requirements for insurance agents of this state as set 1276
forth in section 3905.481 of the Revised Code. 1277

Sec. 3905.081. Notwithstanding any other provision of this 1278
chapter, the superintendent of insurance may waive any licensing 1279
requirement for nonresident persons that the superintendent 1280
determines is in violation of the reciprocity requirements set 1281
forth in section 321 of the "Financial Services Modernization Act 1282
of 1999," 113 Stat. 1338, 15 U.S.C.A. 6751. 1283

Sec. 3905.09. (A) The superintendent of insurance may issue a 1284
temporary insurance agent license to any of the following persons, 1285
if the superintendent determines that the license is necessary for 1286
the servicing of insurance business: 1287

(1) The surviving spouse or court-appointed personal 1288
representative of a licensed insurance agent who dies or becomes 1289
mentally or physically disabled, to allow adequate time for the 1290
sale of the insurance business owned by the agent or for the 1291
recovery or return of the agent to the business, or to provide for 1292
the training and licensing of new personnel to operate the agent's 1293
business; 1294

(2) A member or employee of a business entity licensed as an 1295
insurance agent, upon the death or disability of the sole or 1296
remaining licensed insurance agent; 1297

(3) The designee of a licensed insurance agent entering 1298
active service in the United States armed forces; 1299

(4) Any other person if the superintendent determines that 1300
the public interest will best be served by the issuance of the 1301
license. 1302

(B) A temporary license issued under division (A) of this 1303
section shall remain in force for a period not to exceed one 1304
hundred eighty days. However, a temporary license may not continue 1305

in force under any of the circumstances described in division (A) 1306
of this section after the owner of the business or the owner's 1307
personal representative disposes of the business. 1308

(C) The superintendent may, by order, limit the authority of 1309
any temporary license in any way deemed necessary to protect 1310
insureds and the public. The superintendent may also, by order, 1311
rescind a temporary license if the interests of insureds or the 1312
public are endangered. 1313

(D) A temporary licensee shall be sponsored by a licensed 1314
insurance agent or insurer, which sponsor shall be responsible for 1315
all acts of the licensee. The superintendent may impose any other 1316
requirement on temporary licensees that the superintendent 1317
considers necessary to protect insureds and the public. 1318

(E) Chapter 119. of the Revised Code shall not apply to the 1319
issuance, restriction, or rescission of a temporary license under 1320
this section. 1321

Sec. 3905.03 3905.10. (A) Any property, casualty, personal, 1322
or title agent authorized qualified and licensed as provided in 1323
section 3905.02 of the Revised Code this chapter, and appointed to 1324
represent one or more insurance corporations within this state, 1325
may appoint as many solicitors as the agent desires to represent 1326
the agent and the agent's agency, but the solicitors shall not 1327
represent themselves, by advertisement or otherwise, as agents of 1328
insurance companies for which their employer may be the authorized 1329
agent, and the solicitors shall in all instances represent 1330
themselves only as solicitors for the agent. 1331

~~Each agent that employs a person as~~ To be eligible for 1332
~~appointment, a solicitor shall certify to the superintendent of~~ 1333
~~insurance that the person is competent, financially responsible,~~ 1334
~~and suitable to represent the agent. Upon written notice by any~~ 1335
~~such agent that the agent has employed a person as a solicitor,~~ 1336

~~the superintendent shall issue to the solicitor an appointment in
the form prepared by the superintendent, if the superintendent is
satisfied that:~~ 1337
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~~(1) The solicitor is a suitable person and intends to hold
self out in good faith as a solicitor.~~ 1340
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~~(2) The solicitor is honest and trustworthy.~~ 1342

~~(3) The solicitor has training or instruction in the business
and understands the duties and obligations of a solicitor.~~ 1343
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~~(4) The solicitor is must be qualified and licensed as a
property, casualty, personal, or title agent under section 3905.02
of the Revised Code, is familiar with the insurance laws, this
chapter and ~~is~~ be familiar with the provisions of the policies and
contracts of insurance the solicitor proposes to solicit.~~ 1346
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~~(5) It is not the solicitor's purpose or intention
principally to solicit or place insurance on the solicitor's own
property or that of relatives, employers, or employees or that for
which they or the solicitor is agent, custodian, vendor, bailee,
trustee, or payee.~~ 1351
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~~(6) On and after July 1, 1987, the solicitor has completed
the prelicensing educational requirements set forth in section
3905.48 of the Revised Code.~~ 1356
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~~Notice shall be upon a form furnished by the superintendent
and shall be accompanied by a statement under oath by the
solicitor which gives the solicitor's name, age, residence,
present occupation, the solicitor's occupation for the five years
next preceding the date of the notice, the kinds of insurance the
solicitor wishes to solicit, and such other information as the
superintendent requires, upon a blank furnished by the
superintendent.~~ 1359
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~~(B) If the solicitor within the preceding two years has not~~ 1367

~~been licensed in this state as an insurance agent for other than 1368
life insurance under section 3905.02 of the Revised Code, the 1369
solicitor shall submit to an examination as to the qualifications 1370
set forth in divisions (A)(1) to (5) of this section. 1371~~

~~(C) A solicitor who did not hold a license as solicitor prior 1372
to January 1, 1967, may be appointed only if the solicitor is 1373
qualified for the same class or classes of insurance for which the 1374
agent employing the solicitor is licensed. A solicitor may solicit 1375
only those lines of insurance for which both the solicitor and the 1376
appointing agent are licensed. No solicitor shall be appointed by 1377
more than one agent. 1378~~

Unless the solicitor's license is revoked or suspended by the 1379
superintendent of insurance, such appointment may, in the 1380
discretion of the superintendent, and at the request of the agent 1381
who employs the solicitor and the payment of the required fee, be 1382
continued past the thirtieth day of June next after its issue and 1383
after the thirtieth day of June each succeeding year. Each agent 1384
shall certify to the superintendent, before the thirtieth day of 1385
June each year, the names and addresses of the solicitors the 1386
agent has employed during the preceding year, indicating those for 1387
whom the agent wishes appointments to be continued. 1388

The agent giving written notice shall pay to the 1389
superintendent a fee of twenty dollars for every such appointment 1390
and for each continuance thereof. The issuance of a solicitor's 1391
appointment shall be limited to a natural person. 1392

Sec. 3905.11. An insurance agent that intends to do business 1393
in this state under any name other than the agent's legal name 1394
shall notify the superintendent of insurance prior to using the 1395
assumed name. 1396

Sec. 3905.12. (A) The superintendent of insurance may adopt 1397

rules in accordance with Chapter 119. of the Revised Code to do 1398
the following: 1399

(1) Establish procedures for the issuance and renewal of 1400
insurance agent licenses; 1401

(2) Provide for the issuance of limited authority licenses, 1402
and establish any prelicensing education, examination, or 1403
continuing education requirements the superintendent considers 1404
appropriate for such a license. 1405

(B) To assist the superintendent in carrying out the 1406
superintendent's duties under this chapter, the superintendent may 1407
contract with any nongovernmental entity, including the NAIC and 1408
its affiliates or subsidiaries, to perform any ministerial 1409
function related to insurance agent licensing, including the 1410
collection of fees, that the superintendent and the entity 1411
consider appropriate. 1412

Sec. ~~3905.49~~ 3905.14. (A) As used in this section sections 1413
3905.14 to 3905.16 of the Revised Code: 1414

(1) "Insurer" has the same meaning as in section 3901.32 of 1415
the Revised Code "Insurance agent" includes a limited lines 1416
insurance agent, surety bail bond agent, and surplus line broker. 1417

(2) "Refusal to issue or renew" means the decision of the 1418
superintendent of insurance not to process either the initial 1419
application for a license as an agent or the renewal of such a 1420
license. 1421

(3) "Revocation" means the permanent termination of all 1422
authority to hold any license as an agent in this state. 1423

(4) "Surrender for cause" means the voluntary termination of 1424
all authority to hold any license as an agent in this state, in 1425
lieu of a revocation or suspension order. 1426

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

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

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

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

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

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

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

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

(12) (13) <u>Knowingly accepting insurance business from an individual who is not licensed;</u>	1488
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<u>(14) Failing to comply with an administrative or court order imposing a child support obligation;</u>	1490
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<u>(15) Failing to comply with any administrative or court order directing payment of state income tax;</u>	1492
	1493
<u>(16) Failing to timely submit an application for insurance.</u>	1494
<u>For purposes of division (B)(16) 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>	1495
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<u>(17) 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>	1501
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(13) (18) <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>	1506
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(14) (19) <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>	1510
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(15) (20) <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</u>	1516
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reasonable extension of time has been requested of, and granted 1519
by, the superintendent; 1520

~~(16) Failing to notify the superintendent of any change in~~ 1521
~~the person's address, within thirty days after the change occurs,~~ 1522
~~as required by section 3905.54 of the Revised Code;~~ 1523

~~(17)~~(21) Transferring or placing insurance with an insurer 1524
other than the insurer expressly chosen by the applicant for 1525
insurance or policyholder without the consent of the applicant or 1526
policyholder or absent extenuating circumstances; 1527

~~(18) Engaging in any fraudulent, dishonest, or coercive~~ 1528
~~practice in connection with the business of insurance;~~ 1529

~~(19)~~(22) Failing to inform a policyholder or applicant for 1530
insurance of the identity of the insurer or insurers, or the 1531
identity of any other insurance agent, ~~general agent, surplus line~~ 1532
~~broker,~~ or licensee known to be involved in procuring, placing, or 1533
continuing the insurance for the policyholder or applicant, upon 1534
the binding of the coverage; 1535

~~(20)~~(23) In the case of an agent that is a ~~corporation,~~ 1536
~~limited liability company, or partnership~~ business entity, failing 1537
to report an individual licensee's violation to the department 1538
when the violation was known or should have been known by one or 1539
more of the partners, officers, managers, or members of the 1540
~~corporation, limited liability company, or partnership~~ business 1541
entity; 1542

~~(21)~~(24) Submitting or using a document in the conduct of the 1543
business of insurance when the person knew or should have known 1544
that the document contained the forged signature of another 1545
person; 1546

~~(22)~~(25) Misrepresenting the person's qualifications or using 1547
in any way a professional designation that has not been conferred 1548
upon the person by the appropriate accrediting organization; 1549

	1550
(23)(26) Obtaining a premium loan or causing a premium loan to be made to or in the name of an insured without that person's knowledge and written authorization;	1551 1552 1553
(24) Failing to notify the superintendent of any disciplinary action taken by the insurance authority of another state, within sixty days after the action was taken, as required by section 3905.54 of the Revised Code;	1554 1555 1556 1557
(25) Failing to file any of the reports or notices required under this chapter;	1558 1559
(26) Submitting an application for insurance, or causing the issuance of an insurance policy or contract, on behalf of an applicant who did not request or authorize the insurance. Division (B)(26) of this section does not apply to any policy issued by an other than life insurance company.	1560 1561 1562 1563 1564
(27) Using paper, software, or any other materials of or provided by an insurer after the insurer has terminated the authority of the licensee, if the use of such materials would cause a reasonable person to believe that the licensee was acting on behalf of or otherwise representing the insurer;	1565 1566 1567 1568 1569
(28) Providing misleading, deceptive, or untrue information to an applicant for insurance or a policyholder regarding a particular insurance agent, company, or product;	1570 1571 1572
(29) Soliciting, procuring an application for, or placing, either directly or indirectly, any insurance policy when the person is not authorized under this chapter to engage in such activity;	1573 1574 1575 1576
(30)(29) Soliciting, marketing, or selling any product or service that offers benefits similar to insurance but is not regulated by the superintendent, without fully disclosing to the prospective purchaser that the product or service is not insurance	1577 1578 1579 1580

and is not regulated by the superintendent; 1581

~~(31)~~(30) Failing to fulfill a refund obligation in a timely 1582
manner. For purposes of division (B)~~(31)~~(30) of this section, a 1583
rebuttable presumption exists that a refund obligation is not 1584
fulfilled in a timely manner unless it is fulfilled within one of 1585
the following time periods: 1586

(a) Thirty days after the date the policyholder, applicant, 1587
or insurer takes or requests action resulting in a refund; 1588

(b) Thirty days after the date of the insurer's refund check, 1589
if the agent is expected to issue a portion of the total refund; 1590
1591

(c) Forty-five days after the date of the agent's statement 1592
of account on which the refund first appears. 1593

~~(32)~~ The presumption may be rebutted by proof that the 1594
policyholder or applicant consented to the delay or agreed to 1595
permit the agent to apply the refund to amounts due for other 1596
coverages. 1597

(31) With respect to a surety bail bond agent license, 1598
rebating or offering to rebate, or unlawfully dividing or offering 1599
to divide, any commission; 1600

(32) Using a license for the principal purpose of procuring, 1601
receiving, or forwarding applications for insurance of any kind, 1602
other than life, or soliciting, placing, or effecting such 1603
insurance directly or indirectly upon or in connection with the 1604
property of the licensee or that of relatives, employers, 1605
employees, or that for which they or the licensee is an agent, 1606
custodian, vendor, bailee, trustee, or payee; 1607

(33) In the case of an insurance agent that is a business 1608
entity, using a life license for the principal purpose of 1609
soliciting or placing insurance on the lives of the business 1610
entity's officers, employees, or shareholders, or on the lives of 1611

relatives of such officers, employees, or shareholders, or on the 1612
lives of persons for whom they, their relatives, or the business 1613
entity is agent, custodian, vendor, bailee, trustee, or payee; 1614

(34) Offering within this state, in person or by 1615
advertisement, poster, letter, circular, or otherwise, to sell, 1616
procure, or obtain policies, contracts, agreements, or 1617
applications for life insurance or annuities providing fixed, 1618
variable, or fixed and variable benefits, or contractual payments, 1619
or any form of sickness and accident insurance, for or on behalf 1620
of any life insurance corporation, association, or organization, 1621
or mutual protective or mutual benefit association or 1622
organization, not authorized to transact business in this state, 1623
or for or on behalf of any spurious, fictitious, nonexistent, 1624
dissolved, inactive, liquidated or liquidating, or bankrupt life 1625
insurance corporation, association, or organization, or mutual 1626
protective or mutual benefit association or organization. 1627

(C) Before denying, revoking, suspending, or refusing to 1628
issue any license or imposing any penalty under this section ~~or~~ 1629
~~section 3905.482 of the Revised Code~~, the superintendent shall 1630
provide the licensee or applicant with notice and an opportunity 1631
for hearing as provided in Chapter 119. of the Revised Code, 1632
except as follows: 1633

(1)(a) Any notice of opportunity for hearing, the hearing 1634
officer's findings and recommendations, or the superintendent's 1635
order shall be served by certified mail at the last known address 1636
of the licensee or applicant. Service shall be evidenced by return 1637
receipt signed by any person. 1638

For purposes of this section, the "last known address" is the 1639
residential address that appears in the licensing records of the 1640
department ~~of insurance~~. 1641

(b) If the certified mail envelope is returned with an 1642

endorsement showing that service was refused, or that the envelope 1643
was unclaimed, the notice and all subsequent notices required by 1644
Chapter 119. of the Revised Code may be served by ordinary mail to 1645
the last known address of the licensee or applicant. The mailing 1646
shall be evidenced by a certificate of mailing. Service is deemed 1647
complete as of the date of such certificate provided that the 1648
ordinary mail envelope is not returned by the postal authorities 1649
with an endorsement showing failure of delivery. The time period 1650
in which to request a hearing, as provided in Chapter 119. of the 1651
Revised Code, begins to run on the date of mailing. 1652

(c) If service by ordinary mail fails, the superintendent may 1653
cause a summary of the substantive provisions of the notice to be 1654
published once a week for three consecutive weeks in a newspaper 1655
of general circulation in the county where the last known place of 1656
residence or business of the party is located. The notice is 1657
considered served on the date of the third publication. 1658

(d) Any notice required to be served under Chapter 119. of 1659
the Revised Code shall also be served upon the party's attorney by 1660
ordinary mail if the attorney has entered an appearance in the 1661
matter. 1662

(e) The superintendent may, at any time, perfect service on a 1663
party by personal delivery of the notice by an employee of the 1664
department. 1665

(f) Notices regarding the scheduling of hearings and all 1666
other matters not described in division (C)(1)(a) of this section 1667
shall be sent by ordinary mail to the party and to the party's 1668
attorney. 1669

(2) Any subpoena for the appearance of a witness or the 1670
production of documents or other evidence at a hearing, or for the 1671
purpose of taking testimony for use at a hearing, shall be served 1672
by certified mail, return receipt requested, by an attorney or by 1673

an employee of the department designated by the superintendent. 1674
Such subpoenas shall be enforced in the manner provided in section 1675
119.09 of the Revised Code. Nothing in this section shall be 1676
construed as limiting the superintendent's other statutory powers 1677
to issue subpoenas. 1678

(D) If the superintendent determines that a violation 1679
described in this section has occurred, the superintendent may ~~de~~ 1680
any take one or more of the following actions: 1681

(1) Assess a civil ~~forfeiture~~ penalty in an amount not 1682
exceeding twenty-five thousand dollars per violation; 1683

(2) Assess administrative costs to cover the expenses 1684
incurred by the department in the administrative action, including 1685
costs incurred in the investigation and hearing processes. Any 1686
costs collected shall be paid into the state treasury to the 1687
credit of the department of insurance operating fund created in 1688
section 3901.021 of the Revised Code. 1689

(3) Suspend all of the person's licenses for all lines of 1690
insurance for either a specified period of time or an indefinite 1691
period of time and under such terms and conditions as the 1692
superintendent may determine; 1693

(4) Permanently revoke all of the person's licenses for all 1694
lines of insurance; 1695

(5) Refuse to issue a license; 1696

(6) Refuse to renew a license; 1697

(7) Prohibit the person from being employed in any capacity 1698
in the business of insurance and from having any financial 1699
interest in any insurance agency, company, surety bail bond 1700
business, or third-party administrator in this state. The 1701
superintendent may, in the superintendent's discretion, determine 1702
the nature, conditions, and duration of such restrictions. 1703

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

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

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

(1) Whether the person acted in good faith;

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

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

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

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

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

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

(8) Whether the person obstructed or impeded, or attempted to obstruct or impede, the superintendent's investigation;	1734 1735
(9) The person's efforts to conceal the misconduct;	1736
(10) Remedial efforts to prevent future violations;	1737
(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;	1738 1739 1740 1741 1742 1743
(12) Such other factors as the superintendent determines to be appropriate under the circumstances.	1744 1745
(F)(1) A violation described in division (B)(1), (2), (3), (4) , (5), (6), (7), (8), (9), (10), (11), (12), (13), (14), (15) , (17), (18), (19), (20) , (21), (22), (23), (24) , (25), (26), (27), (28), (29), (30), (31), or (32) , <u>(33), or (34)</u> of this section is a class A offense for which the superintendent may impose any penalty set forth in division (D) of this section.	1746 1747 1748 1749 1750 1751
(2) A violation described in division (B) (4) , (15) , (16), or (24) <u>(20)</u> of this section, <u>or a failure to comply with section 3905.061, 3905.071, or 3905.22 of the Revised Code</u> , is a class B offense for which the superintendent may impose any penalty set forth in division (D)(1), (2), (8), or (9) of this section.	1752 1753 1754 1755 1756
(G) If a violation described in this section has caused, is causing, or is about to cause substantial and material harm, the superintendent may issue an order requiring that person to cease and desist from engaging in the violation. Notice of the order shall be mailed by certified mail, return receipt requested, or served in any other manner provided for in this section, immediately after its issuance to the person subject to the order and to all persons known to be involved in the violation. The	1757 1758 1759 1760 1761 1762 1763 1764

superintendent may thereafter publicize or otherwise make known to 1765
all interested parties that the order has been issued. 1766

The notice shall specify the particular act, omission, 1767
practice, or transaction that is subject to the cease-and-desist 1768
order and shall set a date, not more than fifteen days after the 1769
date of the order, for a hearing on the continuation or revocation 1770
of the order. The person shall comply with the order immediately 1771
upon receipt of notice of the order. 1772

The superintendent may, upon the application of a party and 1773
for good cause shown, continue the hearing. Chapter 119. of the 1774
Revised Code applies to such hearings to the extent that that 1775
chapter does not conflict with the procedures set forth in this 1776
section. The superintendent shall, within fifteen days after 1777
objections are submitted to the hearing officer's report and 1778
recommendation, issue a final order either confirming or revoking 1779
the cease-and-desist order. The final order may be appealed as 1780
provided under section 119.12 of the Revised Code. 1781

The remedy under this division is cumulative and concurrent 1782
with the other remedies available under this section. 1783

(H) If the superintendent has reasonable cause to believe 1784
that an order issued under this section has been violated in whole 1785
or in part, the superintendent may request the attorney general to 1786
commence and prosecute any appropriate action or proceeding in the 1787
name of the state against such person. 1788

The court may, in an action brought pursuant to this 1789
division, impose any of the following: 1790

(1) For each violation, a civil penalty of not more than 1791
twenty-five thousand dollars; 1792

(2) Injunctive relief; 1793

(3) Restitution; 1794

(4) Any other appropriate relief.	1795
(I) With respect to a surety bail bond agent license:	1796
(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.	1797 1798 1799 1800 1801 1802
(2) The superintendent may revoke a license as a surety bail bond agent if the licensee is adjudged bankrupt.	1803 1804
(J) This section applies to both resident and nonresident agents who are licensed under this chapter.	1805 1806
(K) Nothing in this section shall be construed to create or imply a private cause of action against an agent, solicitor, or insurer.	1807 1808 1809
Sec. 3905.491 3905.15. (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:	1810 1811 1812 1813 1814 1815 1816
(1) At least five years have elapsed since the date of the administrative action sought to be modified;	1817 1818
(2) At least two years have elapsed since any previous request for a modification was made under this section;	1819 1820
(3) The burden of proof is on the person requesting the modification.	1821 1822
(B) The modification of an order issued or consent agreement	1823

entered into under section ~~3905.49~~ 3905.14 of the Revised Code is 1824
at the discretion of the superintendent. The superintendent may 1825
modify such an order or agreement if the superintendent finds all 1826
of the following: 1827

(1) At least five years have elapsed since the date of the 1828
administrative action; 1829

(2) The person is of good business repute and is suitable to 1830
be an insurance agent; 1831

(3) The person has made restitution for all pecuniary losses 1832
suffered by any person as a result of the conduct that gave rise 1833
to the administrative action; 1834

(4) The person has not been convicted of any felony or of any 1835
misdemeanor described in division (B)(7) of section ~~3905.49~~ 1836
3905.14 of the Revised Code unless the conviction was the subject 1837
of a previous administrative action by the superintendent; 1838

(5) The circumstances surrounding the previous violation are 1839
such that it is unlikely the person would commit such offenses in 1840
the future; 1841

(6) The person's character has been rehabilitated. 1842

(C) The issuance of any license pursuant to a modification 1843
under this section shall be conditioned upon the successful 1844
completion of all prelicensing education and examination 1845
requirements. 1846

Sec. ~~3905.012~~ 3905.16. (A)(1) Except as provided in division 1847
(A)(2) of this section, any person licensed as an agent under 1848
~~section 3905.02 or 3905.18 of the Revised Code, or appointed as a~~ 1849
~~solicitor under section 3905.03 of the Revised Code, this chapter~~ 1850
may at any time surrender any or all licenses held by the person. 1851
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(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 1884
from any continuing education requirements imposed under this 1885
chapter. 1886

(3) The superintendent may adopt rules in accordance with 1887
Chapter 119. of the Revised Code to establish procedures for 1888
applying for inactive status, criteria used to determine 1889
eligibility for such status, and standards and procedures for 1890
transferring from inactive to active status. 1891

~~(E)~~(D) The superintendent may suspend or revoke a license, or 1892
take any other disciplinary action authorized by this chapter, 1893
regardless of whether the person is appointed or otherwise 1894
authorized to represent an insurer or agent. 1895

Sec. 3905.18. (A) Neither an insurer nor an insurance agent 1896
shall pay a commission, service fee, brokerage fee, or other type 1897
of consideration to a person for selling, soliciting, or 1898
negotiating insurance in this state, if the person is required to 1899
be licensed by the superintendent of insurance under this chapter 1900
but is not so licensed. However, renewal or other deferred 1901
commissions may be paid to such a person for selling, soliciting, 1902
or negotiating insurance in this state if the person was required 1903
to be licensed under this chapter at the time of the sale, 1904
solicitation, or negotiation and was so licensed at that time. 1905

(B) An insurer shall not pay a commission, service fee, 1906
brokerage fee, or other type of consideration to an insurance 1907
agent for selling, soliciting, or negotiating insurance in this 1908
state, if the insurance agent is required to be appointed by the 1909
insurer but is not so appointed. 1910

(C) An insurer or insurance agent may pay or assign a 1911
commission, service fee, brokerage fee, or other type of 1912
consideration to an insurance agency or to any person who does not 1913
sell, solicit, or negotiate insurance in this state, unless the 1914

payment or assignment is prohibited by section 3911.20, 3933.01,
or 3999.22 of the Revised Code.

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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
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 no 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. 1945
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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. 1951
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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. 1958
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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. 1961
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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 circumstances that require an appointment, and to provide for the appointment of insurance agents to some or all of the insurers within an insurer's holding company system or group. 1964
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Sec. 3905.201. (A) Each insurer that sells, solicits, or negotiates any form of limited line credit insurance shall provide a program of instruction to each insurance agent whose duties will include selling, soliciting, or negotiating limited line credit insurance. The program of instruction shall be provided to the insurance agent prior to the agent's appointment by the insurer. 1970
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(B) The superintendent may require prior review and approval of any program of instruction provided under division (A) of this section. 1976
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Sec. 3905.21. (A) An insurer or authorized representative of an insurer that terminates the appointment, employment, contract, or other insurance business relationship with an insurance agent shall notify the superintendent of insurance, in the manner prescribed by the superintendent, within thirty days after the effective date of the termination. The insurer shall provide any additional information, documents, records, or other data relating to the termination or activity of the insurance agent that the superintendent requests in writing. 1979
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(B) If the termination of an insurance agent is for any of the reasons set forth in division (B) of section 3905.14 of the Revised Code, the insurer or authorized representative of the insurer shall promptly notify the superintendent, in the manner prescribed by the superintendent, of any additional information the insurer discovers upon further review or investigation, which information would have been provided to the superintendent in accordance with division (A) of this section had the insurer known of its existence. 1988
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(C)(1) An insurer, within fifteen days after notifying the superintendent in accordance with division (A) or (B) of this section, shall mail a copy of the notification to the insurance agent at the agent's last known address. If the insurance agent was terminated for any of the reasons set forth in division (B) of section 3905.14 of the Revised Code, the notification shall be sent by certified mail, return receipt requested, postage prepaid, or by overnight delivery using a nationally recognized carrier. 1997
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(2) An insurance agent, within thirty days after receiving a copy of a notification pursuant to division (C)(1) of this 2005
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section, may file written comments concerning the substance of the 2007
notification with the superintendent. If an insurance agent files 2008
such comments with the superintendent, the agent shall, at the 2009
same time, provide a copy of the comments to the insurer. Comments 2010
filed with the superintendent shall become part of the 2011
superintendent's file on the insurance agent and shall accompany 2012
every copy of any report distributed or disclosed for any reason 2013
about the agent. 2014

Sec. 3905.211. (A) In the absence of actual malice, an 2015
insurer, the authorized representative of an insurer, an insurance 2016
agent, the superintendent of insurance, or any organization of 2017
which the superintendent is a member, which organization compiles 2018
the information provided pursuant to section 3905.21 of the 2019
Revised Code and makes it available to other insurance 2020
commissioners or to regulatory or law enforcement agencies, is 2021
immune from any civil liability that otherwise might be incurred 2022
or imposed as a result of either of the following: 2023

(1) Any statement required by section 3905.21 of the Revised 2024
Code or any information relating to any such statement, which 2025
information may be requested in writing by the superintendent; 2026
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(2) Any statement of an insurer that has terminated an 2028
insurance agent to an insurer or agent, or any statement of an 2029
insurance agent to an insurer or agent, which statement is limited 2030
solely to whether a termination for any of the reasons set forth 2031
in division (B) of section 3905.14 of the Revised Code was 2032
reported to the superintendent, provided the propriety of any such 2033
termination is certified in writing by an officer or authorized 2034
representative of the insurer or agent terminating the 2035
relationship. 2036

(B) In any action brought against a person that may have 2037
immunity under division (A) of this section for making any 2038

statement required by section 3905.21 of the Revised Code or 2039
providing any information relating to any such statement, which 2040
information may have been requested in writing by the 2041
superintendent, the party bringing the action shall plead 2042
specifically in any allegation that division (A) of this section 2043
does not apply because the person making the statement or 2044
providing the information did so with malice. 2045

(C) Nothing in this section shall abrogate or modify any 2046
statutory or common law privilege or immunity that otherwise 2047
applies. 2048

Sec. 3905.212. The superintendent of insurance may, in 2049
accordance with Chapter 119. of the Revised Code, suspend or 2050
revoke the certificate of authority or license of any person that 2051
fails to comply with section 3905.21 of the Revised Code or that 2052
has been found by a court of competent jurisdiction to have made 2053
the statements or provided the information required under that 2054
section with actual malice. Any such person is also subject to the 2055
civil penalty authorized under section 3905.14 of the Revised 2056
Code. 2057

Sec. 3905.22. (A) An insurance agent shall provide notice to 2058
the superintendent of insurance of any administrative action taken 2059
against the agent in another jurisdiction or by another 2060
governmental agency having professional, occupational, or 2061
financial licensing authority within thirty days after the final 2062
disposition of the matter. The notice shall include a copy of the 2063
order, consent to order, or any other relevant legal document. 2064

(B) An insurance agent shall provide notice to the 2065
superintendent of any criminal prosecution of the agent by any 2066
jurisdiction, other than misdemeanor traffic citations, within 2067
thirty days after the initial pretrial hearing date. The notice 2068
shall include a copy of the initial complaint that was filed, the 2069

order that resulted from the hearing, and any other relevant legal 2070
documents. 2071

Sec. ~~3905.492~~ 3905.24. (A)(1) All records and other 2072
information obtained by the superintendent of insurance or the 2073
superintendent's deputies, examiners, assistants, or other 2074
employees, or agents relating to an investigation of an applicant 2075
for licensure under this chapter, or of an agent, solicitor, 2076
broker, or other person licensed or appointed under this chapter 2077
or Chapter 3951., 3957., or 3959. of the Revised Code, are 2078
confidential and are not public records as defined in section 2079
149.43 of the Revised Code until the applicant ~~or~~, licensee, or 2080
appointee is provided notice and opportunity for hearing pursuant 2081
to Chapter 119. of the Revised Code with respect to such records 2082
or information. If no administrative action is initiated with 2083
respect to a particular matter about which the superintendent 2084
obtained records or other information as part of an investigation, 2085
all such records and information relating to that matter shall 2086
remain confidential for three years after the file on the matter 2087
is closed. 2088

(2) Division (A)(1) of this section applies only to 2089
investigations that could result in administrative action under 2090
Title XVII or XXXIX or Chapter 119. of the Revised Code. 2091

(B) The records and other information described in division 2092
(A) of this section shall remain confidential for all purposes 2093
except when it is appropriate for the superintendent and the 2094
superintendent's deputies, examiners, assistants, or other 2095
employees, or agents to take official action regarding the affairs 2096
of the applicant ~~or~~, licensee, or appointee or in connection with 2097
actual or potential criminal proceedings. 2098

(C) Employees or agents of the department of insurance shall 2099
not be required by any court in this state to testify in a civil 2100

action, if such testimony concerns any matter related to records 2101
or any other information considered confidential under this 2102
section of which they have knowledge. 2103

(D) This section does not apply to any complaint or action 2104
under relating to a violation described in division (B)(32) or 2105
(33) of section 3905.04 3905.14 of the Revised Code. 2106

Sec. 3905.26. (A) The superintendent of insurance may 2107
participate, in whole or in part, with the NAIC or any of its 2108
affiliates or subsidiaries, in a centralized agent license 2109
registry in which insurance agent licenses and appointments are 2110
centrally or simultaneously effected for all states that require 2111
an insurance agent license and that participate in the registry. 2112

(B) The superintendent may adopt rules in accordance with 2113
Chapter 119. of the Revised Code to adopt any uniform standard or 2114
procedure necessary for participation in the centralized agent 2115
license registry. Such rules may provide for the central 2116
collection of all fees for licenses or appointments processed 2117
through the registry. 2118

Sec. 3905.28. The superintendent of insurance may adopt rules 2119
in accordance with Chapter 119. of the Revised Code to carry out 2120
the purposes of sections 3905.01 to 3905.28 of the Revised Code. 2121
2122

Sec. 3905.06 3905.29. Sections 3905.01 to 3905.06 3905.28 of 2123
the Revised Code do not apply to associations organized and 2124
operating under sections 3939.01 to 3939.09 of the Revised Code. 2125

Sec. 3905.30. The superintendent of insurance may issue a 2126
surplus line broker's license to any natural person who is a 2127
resident of this or any other state or ~~a province of Canada, or to~~ 2128

~~any corporation, partnership, or limited liability company a~~ 2129
business entity that is organized under the laws of this or any 2130
other state ~~or a province of Canada. The applicant must have been~~ 2131
~~licensed as a multiple line agent~~ To be eligible for at least two 2132
years prior to making application for the a surplus line broker's 2133
license, a person must have both a property license and a casualty 2134
license. A surplus line broker's license permits the person named 2135
in the license to negotiate for and obtain insurance, other than 2136
life insurance, on property or persons in this state in insurers 2137
not authorized to transact business in this state. Each such 2138
license expires on the thirty-first day of January next after the 2139
year in which it is issued, and may be then renewed. 2140

Sec. 3905.31. No person not licensed under section 3905.30 of 2141
the Revised Code shall take or receive any application for such 2142
insurance upon property or persons in this state, or receive or 2143
collect a premium or any part thereof for any unauthorized 2144
insurance company, or attempt or assist in any such act, or 2145
perform any act in this state concerning any policy or contract of 2146
insurance of any unauthorized insurance company provided that any 2147
duly licensed ~~full multiple line~~ property and casualty agent may 2148
place business with an agent licensed under section 3905.30 of the 2149
Revised Code and may accept compensation therefor, if such 2150
insurance is written in conformity with the insurance laws of this 2151
state. This section does not apply to those engaged in the act of 2152
adjusting claims or losses in connection with any policy of 2153
insurance written under the provisions of sections 3905.30 to 2154
3905.35, ~~inclusive,~~ of the Revised Code. 2155

Sec. 3905.34. Each person licensed under section 3905.30 of 2156
the Revised Code shall keep a separate account of the business 2157
done under the person's license. ~~Within thirty days after~~ On or 2158
before the ~~end~~ thirty-first day of ~~each quarter~~ January, each 2159

surplus line broker shall file ~~that account~~ with the 2160
superintendent of insurance the portion of that account that 2161
details business done during the preceding calendar year. The 2162
account must show the amount of such insurance, the name of the 2163
insured, a brief description of the type of insurance, the 2164
location of the property, the gross premium charged, the name of 2165
the insurer, the date of the policy and term thereof, and a report 2166
in the same detail of all such policies canceled and the gross 2167
return premiums thereon. 2168

Sec. 3905.36. Every insured association, company, 2169
corporation, or other person that enters, directly or indirectly, 2170
into any agreements with any insurance company, association, 2171
individual, firm, underwriter, or Lloyd, not authorized to do 2172
business in this state, whereby the insured shall procure, 2173
continue, or renew contracts of insurance covering subjects of 2174
insurance resident, located, or to be performed within this state, 2175
with such unauthorized insurance company, association, individual, 2176
firm, underwriter, or Lloyd, for which insurance there is a gross 2177
premium, membership fee, assessment, dues, or other consideration 2178
charged or collected, shall annually, on or before the first 2179
thirty-first day of ~~July~~ January, return to the superintendent of 2180
insurance a statement under oath showing the name and address of 2181
the insured, name and address of the insurer, subject of the 2182
insurance, general description of the coverage, and amount of 2183
gross premium, fee, assessment, dues, or other consideration for 2184
such insurance for the preceding twelve-month period and shall at 2185
the same time pay to the treasurer of state a tax of five per cent 2186
of such gross premium, fee, assessment, dues, or other 2187
consideration, after a deduction for return premium, if any, as 2188
calculated on a form prescribed by the treasurer of state. All 2189
taxes collected under this section by the treasurer of state shall 2190
be paid into the general revenue fund. If the tax is not paid when 2191

due, the tax shall be increased by a penalty of twenty-five per 2192
cent. An interest charge computed as set forth in section 5725.221 2193
of the Revised Code shall be made on the entire sum of the tax 2194
plus penalty, which interest shall be computed from the date the 2195
tax is due until it is paid. For purposes of this section, payment 2196
is considered made when it is received by the treasurer of state, 2197
irrespective of any United States postal service marking or other 2198
stamp or mark indicating the date on which the payment may have 2199
been mailed. This section does not apply to: 2200

(A) Insurance obtained pursuant to sections 3905.30 to 2202
3905.35 of the Revised Code; 2203

(B) Transactions in this state involving a policy solicited, 2204
written, and delivered outside this state covering only subjects 2205
of insurance not resident, located, or to be performed in this 2206
state at the time of issuance, provided such transactions are 2207
subsequent to the issuance of the policy; 2208

(C) Attorneys-at-law acting on behalf of their clients in the 2209
adjustment of claims or losses; 2210

(D) Any insurance company underwriter issuing contracts of 2211
insurance to employer insureds or contracts of insurance issued to 2212
an employer insured. For purposes of this section an "employer 2213
insured" is an insured: 2214

(1) Who procures the insurance of any risk or risks by use of 2215
the services of a full-time employee acting as an insurance 2216
manager or buyer or the services of a regularly and continuously 2217
qualified insurance consultant. As used in division (D)(1) of this 2218
section, a "regularly and continuously qualified insurance 2219
consultant" does not include any person licensed under Chapter 2220
3905. of the Revised Code. 2221

(2) Whose aggregate annual premiums for insurance on all 2222

risks total at least twenty-five thousand dollars; and 2223

(3) Who has at least twenty-five full-time employees. 2224

Each person licensed under section 3905.30 of the Revised 2225
Code shall pay to the treasurer of state, on or before the 2226
thirty-first day of January of each year, five per cent of the 2227
balance of the gross premiums charged for insurance placed or 2228
procured under the license after a deduction for return premiums, 2229
as reported on a form prescribed by the treasurer of state. The 2230
tax shall be collected from the insured by the surplus line broker 2231
who placed or procured the policy of insurance at the time the 2232
policy is delivered to the insured. No license issued under 2233
section 3905.30 of the Revised Code shall be renewed until payment 2234
is made. If the tax is not paid when due, the tax shall be 2235
increased by a penalty of twenty-five per cent. An interest charge 2236
computed as set forth in section 5725.221 of the Revised Code 2237
shall be made on the entire sum of the tax plus penalty, which 2238
interest shall be computed from the date the tax is due until it 2239
is paid. For purposes of this section, payment is considered made 2240
when it is received by the treasurer of state, irrespective of any 2241
United States postal service marking or other stamp or mark 2242
indicating the date on which the payment may have been mailed. 2243
2244

Sec. ~~3905.26~~ 3905.40. There shall be paid to the 2245
superintendent of insurance the following fees: 2246

(A) Each insurance company doing business in this state shall 2247
pay: 2248

(1) For filing a copy of its charter or deed of settlement, 2249
two hundred fifty dollars; 2250

(2) For filing each statement, twenty-five dollars; 2251

(3) For each certificate of authority or license, and 2252

certified copy thereof, five dollars;	2253
(4) For each copy of a paper filed in his <u>the</u>	2254
<u>superintendent's</u> office, twenty cents per page;	2255
(5) For issuing certificates of deposits or certified copies	2256
thereof, five dollars for the first certificate or copy and one	2257
dollar for each additional certificate or copy;	2258
(6) For issuing certificates of compliance or certified	2259
copies thereof, twenty dollars;	2260
(7) For affixing the seal of office and certifying documents,	2261
other than those enumerated herein, two dollars.	2262
(B) Each life insurance company doing business in this state	2263
shall pay for annual valuation of its policies, one cent on every	2264
one thousand dollars of insurance.	2265
(C) Each foreign insurance company doing business in this	2266
state shall pay for making and forwarding annually, semiannually,	2267
and quarterly the interest checks and coupons accruing upon bonds	2268
and securities deposited, fifty dollars each year on each one	2269
hundred thousand dollars deposited.	2270
(D) Each appointee or applicant for licensure as an insurance	2271
agent, solicitor, or life insurance agent shall pay ten dollars	2272
before admission to any examination required by the superintendent	2273
of insurance . Such fee shall not be paid by the appointing	2274
insurance company or agent .	2275
(E) Each domestic mutual life insurance company shall pay for	2276
verifying that any amendment to its articles of incorporation was	2277
regularly adopted, two hundred fifty dollars with each application	2278
for verification. Any such amendment shall be considered to have	2279
been regularly adopted when approved by the affirmative vote of	2280
two-thirds of the policyholders present in person or by proxy at	2281
any annual meeting of policyholders or at a special meeting of	2282

policyholders called for that purpose. 2283

Sec. ~~3905.52~~ 3905.401. The valuation fee specified in 2284
division (B) of section ~~3905.26~~ 3905.40 of the Revised Code does 2285
not apply to reinsurance ceded to affiliated companies. 2286

Sec. ~~3905.27~~ 3905.41. The superintendent of insurance may 2287
open an account in the name of each insurance company authorized 2288
to do business in this state and in the name of any authorized 2289
insurance agent, and charge the accounts with all fees incurred by 2290
such companies or agents in accordance with sections ~~3905.02,~~ 2291
~~3905.03,~~ ~~3905.07,~~ ~~3905.26~~ 3905.10, 3905.20, 3905.40, 3919.26, and 2292
3931.03 of the Revised Code, and other statutes imposing fees. The 2293
statutory fee for each service requested shall be charged against 2294
the proper account ~~forthwith~~ immediately upon the rendition of the 2295
service. 2296

Not later than the tenth day of each calendar month the 2297
superintendent shall render an itemized statement to each company 2298
or agent whose account has been charged during the month next 2299
preceding, showing the amount of all fees charged during that 2300
month and demanding that payment thereof be made not later than 2301
the first day of the month next following. 2302

The failure of any insurance company within that time to pay 2303
the amount of such fees in accordance with the monthly statement, 2304
or, if the statement or account is found to be incorrect, in 2305
accordance with a corrected monthly statement rendered by the 2306
superintendent, is grounds for the revocation of its certificate 2307
of authority to do business in this state. In the event of such an 2308
order of revocation, the superintendent shall ~~forthwith~~ 2309
immediately cause a notice thereof to be published once in at 2310
least one newspaper at the seat of the government and also, if a 2311
domestic company, once in at least one newspaper published in the 2312

county where its home office is located, or, if a foreign or alien 2313
company, once in at least one newspaper published in a county of 2314
this state where an agency of the company is located. After the 2315
publication of the notice, no agent of the company shall procure 2316
applications for insurance or issue policies. 2317

In the event of the failure of any agent within the time 2318
fixed to pay the amount of fees charged against the agent's 2319
account in accordance with the monthly statement rendered by the 2320
superintendent, the agent's license may be revoked in the manner 2321
provided by ~~sections 3905.02 and 3905.18~~ section 3905.14 of the 2322
Revised Code. 2323

Sec. 3905.482. (A) The superintendent of insurance shall 2324
suspend the agent's license of any person who fails to meet the 2325
requirements of section 3905.481 of the Revised Code and has not 2326
been granted under division (B) of this section an extension of 2327
time within which to complete the requirements. The suspension 2328
shall become effective upon sixty days' written notice to the 2329
person. The notice shall be sent by ordinary mail to the person's 2330
residential address on the licensing records of the department of 2331
insurance. During this sixty-day period, the person may provide 2332
proof of compliance with the requirements of section 3905.481 of 2333
the Revised Code. If the person fails to demonstrate such 2334
compliance in a manner and form acceptable to the superintendent, 2335
the superintendent shall suspend the person's license. The 2336
suspension shall continue until the person demonstrates to the 2337
satisfaction of the superintendent that the person has complied 2338
with the requirements of section 3905.481 of the Revised Code and 2339
all other provisions of this chapter. However, the superintendent 2340
~~shall~~ may revoke the license if the person fails to demonstrate 2341
such compliance within ~~six months~~ one year after the conclusion of 2342
the immediately preceding twenty-four-month compliance period and 2343
has not been granted under division (B) of this section an 2344

extension of time within which to complete the requirements. ~~Any~~ 2345
~~person whose license has been revoked under this division and who~~ 2346
~~desires to hold a license as an agent under this chapter shall~~ 2347
~~apply for a new agent's license in accordance with the~~ 2348
~~requirements of this chapter.~~ 2349

(B) If a person cannot meet the requirements of section 2350
3905.481 of the Revised Code due to a disability or inactivity due 2351
to special circumstances, the superintendent may grant the person 2352
a reasonable extension of time to enable the person to comply with 2353
the requirements of section 3905.481 of the Revised Code for the 2354
period of the disability or inactivity. The superintendent may 2355
revoke the license if the person fails to demonstrate such 2356
compliance within that time period. 2357

(C) Before revoking ~~or suspending~~ any agent's license under 2358
this section, the superintendent shall provide the licensee notice 2359
and an opportunity for a hearing in accordance with Chapter 119. 2360
of the Revised Code. Any person whose license has been revoked 2361
under this section and who desires to hold a license as an 2362
insurance agent under this chapter shall apply for a new insurance 2363
agent's license in accordance with the requirements of this 2364
chapter. 2365

(D) The superintendent may adopt rules in accordance with 2366
Chapter 119. of the Revised Code relative to the manner and form 2367
of demonstrating compliance with the requirements of section 2368
3905.481 of the Revised Code that is acceptable to the 2369
superintendent for purposes of this section. 2370

Sec. 3905.483. (A) There is hereby created the insurance 2371
agent education advisory council to advise the superintendent of 2372
insurance in carrying out the duties imposed under sections 2373
3905.48 3905.04 and 3905.481 to 3905.486 of the Revised Code. 2374

(B) The council shall be composed of the superintendent, or 2375

the superintendent's designee, and eleven members appointed by the superintendent, as follows:	2376 2377
(1) One representative of the association of Ohio life insurance companies;	2378 2379
(2) One representative of the independent insurance agents of Ohio;	2380 2381
(3) One representative of the Ohio association of health underwriters;	2382 2383
(4) One representative of the Ohio association of life underwriters;	2384 2385
(5) One representative of the Ohio insurance institute;	2386
(6) One representative of the professional insurance agents association of Ohio;	2387 2388
(7) Two insurance agents each of whom has been licensed continuously during the five-year period immediately preceding the agent's appointment;	2389 2390 2391
(8) One representative of an insurance company admitted to transact business in this state;	2392 2393
(9) Two representatives of consumers, one of whom shall be at least sixty years of age.	2394 2395
(C) Of the initial appointments made by the superintendent, three shall be for terms ending December 31, 1994, four shall be for terms ending December 31, 1995, and four shall be for terms ending December 31, 1996. Thereafter, terms of office shall be for three years, each term ending on the thirty-first day of December of the third year.	2396 2397 2398 2399 2400 2401
(D) Each member shall hold office from the date of appointment until the end of the term for which the member was appointed. Any member appointed to fill a vacancy occurring prior	2402 2403 2404

to the expiration of the term for which the member's predecessor 2405
was appointed shall hold office for the remainder of such term. 2406
Any member shall continue in office subsequent to the expiration 2407
date of the member's term until the member's successor takes 2408
office, or until a period of sixty days has elapsed, whichever 2409
occurs first. A vacancy shall be filled in the same manner as the 2410
original appointment. 2411

(E) Initial appointments to the council shall be made no 2412
later than thirty days after April 16, 1993. 2413

(F) Any member is eligible for reappointment. The 2414
superintendent, after notice and opportunity for a hearing, may 2415
remove for cause any member the superintendent appoints. 2416

(G) The superintendent or the superintendent's designee shall 2417
serve as chairperson of the council. Meetings shall be held upon 2418
the call of the chairperson and as may be provided by procedures 2419
adopted by the superintendent. Seven members of the council 2420
constitute a quorum. 2421

(H) Each member shall receive mileage and necessary and 2422
actual expenses while engaged in the business of the council. 2423

Sec. 3905.484. (A) The superintendent of insurance, in 2424
consultation with the insurance agent education advisory council, 2425
shall establish criteria for any course or program of study that 2426
is offered in this state under section 3905.04 or sections ~~3905.48~~ 2427
3905.481 to 3905.486 of the Revised Code. 2428

(B) No course or program of study shall be offered in this 2429
state under section 3905.04 or sections ~~3905.48~~ 3905.481 to 2430
3905.486 of the Revised Code unless it is approved by the 2431
superintendent in consultation with the council. 2432

(C) A course or program of study offered in this state under 2433
section 3905.04 or sections ~~3905.48~~ 3905.481 to 3905.486 of the 2434

Revised Code shall be developed or sponsored only by one of the 2435
following: 2436

(1) An insurance company admitted to transact business in 2437
this state; 2438

(2) An accredited college or university; 2439

(3) An insurance trade association; 2440

(4) An independent program of instruction that is approved by 2441
the superintendent in consultation with the council; 2442

(5) Any institution as defined in section 1713.01 of the 2443
Revised Code that holds a certificate of authorization issued by 2444
the Ohio board of regents under Chapter 1713. of the Revised Code 2445
or is exempt under that chapter from the requirements for a 2446
certificate of authorization. 2447

(D) Any person who teaches any approved course or program of 2448
study qualifies for the same number of classroom hours as would be 2449
granted to any person who takes and successfully completes that 2450
course or program. 2451

Sec. 3905.486. The superintendent of insurance shall adopt 2452
rules in accordance with Chapter 119. of the Revised Code to carry 2453
out the purposes of sections ~~3905.48~~ 3905.04 and 3905.481 to 2454
3905.486 of the Revised Code. In adopting any rules, the 2455
superintendent shall consider any recommendations made by the 2456
insurance agent education advisory council. 2457

Sec. ~~3905.47~~ 3905.49. (A) As used in this section and section 2458
3905.50 of the Revised Code, "independent insurance agent" means 2459
an insurance agent who is neither employed nor controlled solely 2460
by an insurer, whose agency contract with an insurer provides that 2461
upon termination of the contract, the ownership of the property 2462
rights of all expiration information vests in the agent or ~~his~~ the 2463

agent's heirs or assigns, and whose agency contract with an 2464
insurer permits the agent to represent concurrently other insurers 2465
of ~~his~~ the agent's choice. 2466

(B) No agent other than an independent insurance agent shall 2467
represent ~~oneself~~ self, or shall be represented, to the public as 2468
an independent insurance agent or agency. 2469

Sec. 3905.50. (A)(1) Except as provided in division (A)(2) or 2470
(3) of this section, this section applies to every contract of 2471
agency between a property and casualty insurance company and an 2472
independent insurance agent, as defined in division (A) of section 2473
~~3905.47~~ 3905.49 of the Revised Code, which has been in effect for 2474
not less than two years. 2475

(2) This section does not apply to a contract of exclusive 2476
employment by, or an exclusive agency contract with, a single 2477
insurer or group of insurers under common ownership or control. 2478

(3) This section does not apply to an agent whose license has 2479
been suspended or revoked by the superintendent of insurance, an 2480
agent who has demonstrated gross incompetence, or an agent whose 2481
contract has been terminated for insolvency, abandonment, gross or 2482
willful misconduct, or failure to pay to the insurer, in 2483
accordance with the agency contract, moneys due to the insurer 2484
upon written demand of the insurer. 2485

(B) No insurer shall terminate an independent insurance agent 2486
contract of agency except by mutual agreement of the parties or 2487
upon one hundred eighty days' written notice to the independent 2488
insurance agent. 2489

(1) Such notice shall include specific reasons for the 2490
termination of the agent. 2491

(2) Such notice shall be sent by certified mail, return 2492
receipt requested, to the last known address of the agency. 2493

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

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

(1) Claims experience of the agent in a single year;

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

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

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

(F) The superintendent shall promptly investigate the allegation. If the superintendent has reasonable cause to believe that this section or the lawful provisions of the contract of agency have been violated, ~~he~~ the superintendent shall, within thirty days of receipt of a request for review, conduct an

adjudication hearing subject to Chapter 119. of the Revised Code, 2525
held upon not less than ten days' written notice to the agent and 2526
the insurer. Pending a final order in the adjudication hearing, 2527
the superintendent may take such interim action as necessary to 2528
protect the parties or the public. During the pendency of the 2529
proceeding before the superintendent, the contract of agency 2530
subject to the proceeding continues in force and ~~division~~ division 2531
(C) of this section applies. The superintendent shall, within 2532
thirty days following such hearing, issue an order approving or 2533
disapproving the action of the insurer. All final orders and 2534
decisions of the superintendent are subject to judicial review as 2535
provided in Chapter 119. of the Revised Code. 2536

(G) An insurer shall not cancel or nonrenew any policy of 2537
insurance written through an agent upon the sole ground of the 2538
termination of the agency until the expiration of the policy term 2539
or the twelve-month period following the effective date of the 2540
termination of the contract of agency, whichever is earlier. 2541
However, during such period, an independent insurance agent may, 2542
subject to the current underwriting rules, guidelines, commission 2543
rates, and practices of the insurer, effect any necessary changes 2544
or endorsements to outstanding policies of insurance that are in 2545
force prior to the date of termination. 2546

This section does not abridge, restrict, or supersede the 2547
rights of an agent to the ownership of expirations provided for in 2548
any contract with an insurer. 2549

(H) Any information or documentation provided to an agent or 2550
the superintendent by an insurer under this section is 2551
confidential and shall be used by the superintendent only in the 2552
exercise of the proper functions authorized by this section. No 2553
insurer is liable for furnishing information or documentation in 2554
compliance with this section if the insurer acts without malice 2555
and in the reasonable belief that such information or 2556

documentation is warranted by this section.

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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.

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(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.

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(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:

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

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

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(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;

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(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;

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

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

(7) Any other information required by the superintendent.

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

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

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

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

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

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

(6) The applicant maintains an errors and omissions policy of insurance. 2617
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(7) The applicant is not, and has never been, under an order of suspension or revocation under section 3905.77 of the Revised Code or under any other law of this state, or any other state, relating to insurance, and is otherwise in compliance with sections 3905.71 to 3905.79 of the Revised Code and all other laws of this state relating to insurance. 2619
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(D) If the applicant is a resident of another state or a business entity organized under the laws of another state, the applicant shall submit a request for licensure, along with a fee of twenty dollars, to the superintendent. The superintendent shall issue a license to act as a managing general agent if the request for licensure includes proof that the applicant is licensed and in good standing as a managing general agent in the applicant's home state and either a copy of the application for licensure the applicant submitted to the applicant's home state or the application described in division (B) of this section. 2625
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If the applicant's home state does not license managing general agents under provisions similar to those in sections 3905.71 to 3905.79 of the Revised Code, or if the applicant's home state does not grant licenses to residents of this state on the same reciprocal basis, the applicant shall comply with divisions (B) and (C) of this section. 2635
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(E) Unless suspended or revoked by an order of the superintendent pursuant to section 3905.77 of the Revised Code and except as provided in division ~~(E)~~(F) of this section, any license issued or renewed pursuant to division (C) or (D) of this section shall expire on the last day of February next after its issuance or renewal. 2641
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~~(E)~~(F) If the appointment of a managing general agent is 2647

terminated by the insurer, the license of the managing general agent shall expire on the date of the termination. 2648
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~~(F)~~(G) A license shall be renewed in accordance with the 2650
standard renewal procedure specified in Chapter 4745. of the 2651
Revised Code. 2652

~~(G)~~(H) All license fees collected pursuant to ~~division (C)(4)~~ 2653
of this section shall be paid into the state treasury to the 2654
credit of the department of insurance operating fund. 2655

Sec. 3905.85. (A) An applicant for a license as a surety bail 2656
bond agent shall submit an application for the license in a manner 2657
prescribed by the superintendent of insurance. The application 2658
shall be accompanied by a one hundred fifty dollar fee and a 2659
statement that gives the applicant's name, age, residence, present 2660
occupation, occupation for the five years next preceding the date 2661
of the application, and such other information as the 2662
superintendent may require. 2663

The applicant shall also request a criminal records check 2664
conducted by the superintendent of the bureau of criminal 2665
identification and investigation in accordance with section 2666
109.572 of the Revised Code, and direct that the bureau's written 2667
response to that request be transmitted to the superintendent of 2668
insurance, or to the superintendent's designee, as specified on 2669
the form prescribed pursuant to that section. The superintendent 2670
of insurance, in the superintendent's discretion, may designate 2671
other governmental agencies or other sources to conduct the 2672
criminal records check. If the superintendent of insurance or the 2673
superintendent's designee fails to receive ~~the bureau's~~ a response 2674
to ~~the applicant's request~~ for a requested criminal records check, 2675
or if the applicant fails to request the criminal records check, 2676
the superintendent may refuse to issue a license under this 2677
section. The applicant shall pay any fee required ~~by the bureau~~ 2678

for conducting the criminal records check. 2679

An applicant for a license shall submit to an examination as 2680
to the qualifications set forth in division (B) of this section. 2681

(B) The superintendent of insurance shall issue to an 2682
applicant a license that states in substance that the person is 2683
authorized to do the business of a surety bail bond agent, if the 2684
superintendent is satisfied that all of the following apply: 2685

(1) If the applicant is a natural person, the applicant is 2686
eighteen years of age or older. 2687

(2) The applicant is a person of high character and 2688
integrity. 2689

(3) The applicant has successfully completed the educational 2690
requirements set forth in section ~~3905.48~~ 3905.04 of the Revised 2691
Code and passed the examination required by that section. 2692

(C) A surety bail bond agent license issued pursuant to this 2693
section authorizes the holder, when appointed by an insurer, to 2694
execute or countersign bail bonds in connection with judicial 2695
proceedings and to receive money or other things of value for 2696
those services. However, the holder shall not execute or deliver a 2697
bond during the first one hundred eighty days after the license is 2698
initially issued. This restriction does not apply with respect to 2699
license renewals. 2700

(D) The superintendent of insurance may suspend or revoke a 2701
surety bail bond agent's license as provided in section 3905.482 2702
of the Revised Code, and may suspend, revoke, or refuse to issue 2703
or renew such a license as provided in section ~~3905.49~~ 3905.14 of 2704
the Revised Code. 2705

If the superintendent refuses to issue such a license based 2706
in whole or in part upon the ~~bureau's~~ written response to a 2707
criminal records check requested pursuant to division (A) of this 2708
section, the superintendent shall send a copy of the response that 2709

the ~~bureau~~ was transmitted to the superintendent or to the 2710
superintendent's designee, to the applicant at the applicant's 2711
home address upon the applicant's submission of a written request 2712
to the superintendent. 2713

(E) Any person licensed as a surety bail bond agent may 2714
surrender the person's license in accordance with section ~~3905.012~~ 2715
3905.16 of the Revised Code. 2716

(F) Unless revoked or suspended by the superintendent of 2717
insurance or surrendered by the surety bail bond agent, such a 2718
license may, in the discretion of the superintendent and the 2719
payment of a one hundred fifty dollar fee, be ~~continued past~~ 2720
reviewed effective the ~~last~~ first day of ~~February~~ March next after 2721
its issue and after the ~~last~~ first day of ~~February~~ March in each 2722
succeeding year. 2723

(G) The superintendent of insurance may prescribe the forms 2724
to be used as evidence of the issuance of a license under this 2725
section. The superintendent shall require each licensee to 2726
acquire, from a source designated by the superintendent, a wallet 2727
identification card that includes the licensee's photograph and 2728
any other information required by the superintendent. The licensee 2729
shall keep the wallet identification card on the licensee's person 2730
while engaging in the bail bond business. 2731

(H)(1) The superintendent of insurance shall not issue or 2732
renew the license of a ~~corporation, partnership, or limited~~ 2733
~~liability company~~ business entity organized under the laws of this 2734
or any other state unless the ~~corporation, partnership, or limited~~ 2735
~~liability company~~ business entity is qualified to do business in 2736
this state under the applicable provisions of Title XVII of the 2737
Revised Code. 2738

(2) The failure of a ~~corporation, partnership, or limited~~ 2739
~~liability company~~ business entity to be in good standing with the 2740
secretary of state or to maintain a valid appointment of statutory 2741

agent is grounds for suspending, revoking, or refusing to renew 2742
its license. 2743

(3) By applying for a surety bail bond agent license under 2744
this section, an individual, ~~corporation, partnership, or limited~~ 2745
~~liability company~~ business entity consents to the jurisdiction of 2746
the courts of this state. 2747

(I) A surety bail bond agent licensed pursuant to this 2748
section is an officer of the court. 2749

(J) Any fee collected under this section shall be paid into 2750
the state treasury to the credit of the department of insurance 2751
operating fund created by section 3901.021 of the Revised Code. 2752

Sec. 3905.861. An insurer that appoints a surety bail bond 2753
agent who is a member of ~~an agency, partnership, corporation, or~~ 2754
~~limited liability company~~ a business entity shall require that all 2755
other surety bail bond agents who are members of the same ~~agency,~~ 2756
~~partnership, corporation, or limited liability company~~ business 2757
entity be appointed to represent that insurer. 2758

Sec. 3905.89. Each person licensed under sections 3905.83 to 2759
3905.95 of the Revised Code shall notify in writing the 2760
appropriate insurer or managing general agent, and the clerk of 2761
the court of common pleas of the county in which the licensee 2762
resides, within thirty days after a change in the licensee's 2763
principal business address or telephone number. 2764

This notification requirement is in addition to the 2765
notification requirements set forth in ~~section 3905.54~~ other 2766
provisions of ~~the Revised Code~~ this chapter. 2767

Sec. 3905.94. If the superintendent of insurance, in 2768
accordance with section ~~3905.49~~ 3905.14 of the Revised Code, 2769
suspends or revokes a person's license as a surety bail bond 2770

agent, the person, during the period of suspension or revocation, 2771
shall not be employed by any surety bail bond agent, have any 2772
ownership interest in any business involving bail bonds, or have 2773
any financial interest of any type in any bail bond business. 2774

Sec. 3905.99. (A) Whoever violates ~~sections 3905.181,~~ 2775
~~3905.21, or 3905.23~~ section 3905.182 of the Revised Code shall be 2776
fined not less than twenty-five nor more than five hundred dollars 2777
or imprisoned not more than six months, or both. 2778

(B) Whoever violates section 3905.31 or 3905.33 of the 2779
Revised Code shall be fined not less than twenty-five nor more 2780
than five hundred dollars or imprisoned not more than one year, or 2781
both. 2782

(C) Whoever violates section 3905.37 or 3905.43 of the 2783
Revised Code shall be fined not less than one hundred nor more 2784
than five hundred dollars. 2785

(D) Whoever violates section ~~3905.01~~ 3905.02, division (F) of 2786
section 3905.92, or division (A) of section 3905.931 of the 2787
Revised Code is guilty of a misdemeanor of the first degree. 2788

(E) Whoever violates section 3905.84 of the Revised Code is 2789
guilty of a misdemeanor of the first degree on a first or second 2790
offense and of a felony of the third degree on each subsequent 2791
offense. 2792

Sec. 3907.19. The president or vice-president, and the 2793
secretary or actuary, or a majority of the directors of each 2794
insurance company organized under the laws of this state, annually 2795
on the first day of January, or within sixty days thereafter, 2796
shall prepare under oath and deposit in the office of the 2797
superintendent of insurance, a statement showing the condition of 2798
the company on the thirty-first day of the December next 2799

preceding. The statement shall be submitted on the forms adopted	2800
by the superintendent pursuant to section 3905.29 <u>3901.77</u> of the	2801
Revised Code, and shall exhibit the following items:	2802
(A) The number of policies issued during the year;	2803
(B) The amount of insurance effected by such policies;	2804
(C) The amount of premiums received during the year;	2805
(D) The amount of interest and all other receipts, specifying	2806
the items;	2807
(E) The amount paid to policyholders of the company for	2808
losses during the year;	2809
(F) The amount of all other expenditures and disbursements of	2810
the company, specifying such items as the superintendent calls	2811
for;	2812
(G) The amount of losses unpaid;	2813
(H) The whole number of policies in force;	2814
(I) The amount insured by such policies;	2815
(J) The amount of reserve on all policies in force,	2816
calculated by the American Experience Table of Mortality, with	2817
interest at four per cent annually, or calculated by any other	2818
higher standard that the company has adopted, and the unearned	2819
premium on all personal accident and sickness insurance in force;	2820
(K) The amount of capital stock, specifying amount paid and	2821
unpaid;	2822
(L) The amount of dividends unpaid and the amount of all	2823
other liabilities;	2824
(M) A detailed statement of all the assets of the company,	2825
and the manner of their investment;	2826
(N) An exhibit of the policy obligations of the company,	2827
which shall include:	2828

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

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

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

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

Sec. 3911.011. (A) No policy, annuity, or other contract providing variable or fixed and variable benefits or contractual payments shall be delivered or issued for delivery in this state except by a life insurance company, organized under the laws of this state, or a company, partnership, or association, organized or incorporated, by an act of congress, or under the laws of this or any other state of the United States, or any foreign government, and transacting the business of life insurance in this state. No such company, partnership or association shall deliver

or issue for delivery in this state any such policy, annuity, or 2859
contract until the superintendent of insurance has determined that 2860
its condition and methods of operation in connection with the 2861
issuance of ~~such~~ the policies, annuities, and contracts will not 2862
render its operation hazardous to the public or to the holders of 2863
its policies, annuities, and other contracts in this state. In 2864
making such determination, the superintendent shall consider the 2865
history, reputation, and financial condition of ~~such~~ the company, 2866
partnership, or association, and the character, responsibility, 2867
and general fitness of its officers, directors, partners, or 2868
associates. In making such determination with respect to a 2869
company, partnership, or association not organized under the laws 2870
of this state, the superintendent shall also consider whether the 2871
laws and regulations of its domicile provide a degree of 2872
protection to the public and the holders of its policies, 2873
annuities, and other contracts substantially equal to that 2874
provided by this section and any rules adopted by the 2875
superintendent pursuant to division (C) of this section. If any 2876
such company is a subsidiary of, or affiliated through management 2877
or ownership with, a life insurance company authorized to do 2878
business in this state, the superintendent may consider the 2879
requirements of this division to have been satisfied if either 2880
such company or its parent or affiliated company meets such 2881
requirements. 2882

(B) No policy, annuity, or other contract described in 2883
division (A) of this section and no certificate, application, 2884
endorsement, or rider to be used in connection with any such 2885
policy, annuity, or other contract shall be delivered, or issued 2886
for delivery, in this state until a copy thereof has been filed 2887
with the superintendent. The superintendent shall, within thirty 2888
days after the filing of any such form, disapprove the same ~~if he~~ 2889
~~finds~~ upon finding that such form contains provisions ~~which~~ that 2890
are unjust, unfair, inequitable, misleading, or deceptive, 2891

encourage misrepresentation of the coverage, or are contrary to 2892
the insurance laws of this state or any rule adopted by ~~him~~ the 2893
superintendent pursuant to division (C) of this section. When the 2894
superintendent notifies a company, partnership, or association 2895
that a form has been disapproved, it shall be unlawful thereafter 2896
for ~~such~~ the company, partnership, or association to issue or use 2897
~~such~~ the form. In ~~such~~ the notice, the superintendent shall 2898
specify the reason for ~~his~~ the disapproval and state that a 2899
hearing will be granted in twenty days after request in writing. 2900
No such policy, contract, certificate, application, endorsement, 2901
or rider shall be issued or used until the expiration of thirty 2902
days after it has been so filed, unless the superintendent gives 2903
written approval thereto. The superintendent may, at any time 2904
after a hearing held not less than twenty days after written 2905
notice to the insurer, withdraw ~~his~~ the approval of any such form 2906
on any ground set forth in this division. The written notice of 2907
such hearing shall state the reason for the proposed withdrawal. 2908
The company, partnership, or association shall not issue ~~such~~ the 2909
form or use it after the effective date of ~~such~~ the withdrawal. 2910
Any order or formal determination of the superintendent under this 2911
division shall be subject to judicial review as provided in 2912
section 119.12 of the Revised Code. 2913

(C) The superintendent shall have the sole and exclusive 2914
power and authority to regulate the sale, delivery, and issuance 2915
for delivery in this state of policies, annuities, and other 2916
contracts described in division (A) of this section and, subject 2917
to ~~sections 119.01 to 119.13, inclusive,~~ Chapter 119. of the 2918
Revised Code, to adopt, amend, and rescind rules necessary to 2919
discharge ~~his~~ the superintendent's duties and exercise ~~his~~ the 2920
superintendent's power and authority under ~~sections 3905.20 and~~ 2921
section 3907.15 of the Revised Code and this section, including, 2922
but not limited to, the adoption of a definition of a subsidiary 2923
or affiliated corporation under section 3907.15 of the Revised 2924

Code.	2925
(D) Except for Chapter 3915. and except as otherwise provided	2926
in sections 3905.207 , 3907.157, and 3911.011 of the Revised Code,	2927
all pertinent provisions of Title XXXIX of the Revised Code apply	2928
to all policies, annuities, and other contracts providing variable	2929
or fixed and variable benefits or contractual payments and all	2930
separate accounts established in connection therewith. The reserve	2931
liability for such policies, annuities, and contracts shall be	2932
established in accordance with actuarial procedures that recognize	2933
the variable nature of the benefits and guarantees provided.	2934
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Chapter 1707. of the Revised Code does not apply to any	2936
policy, annuity, or other contract providing fixed, variable, or	2937
fixed and variable benefits or contractual payments, which <u>that</u> is	2938
issued by any company, partnership, or association authorized to	2939
transact the business of life insurance in this state.	2940
Sec. 3923.121. (A) As used in this section:	2941
(1) "Association" means a voluntary unincorporated	2942
association of insurers formed for the sole purpose of enabling	2943
cooperative action to provide sickness and accident insurance in	2944
accordance with this section.	2945
(2) "Insurer" means any insurance company authorized to do	2946
the business of sickness and accident insurance in this state.	2947
(3) "Insured" means a person covered under a group policy	2948
issued pursuant to this section.	2949
(B) Any insurer may join with one or more other insurers, in	2950
an association, to offer, sell, and issue to a policyholder	2951
selected by the association a policy of group insurance against	2952
major financial loss from sickness and accident covering residents	2953
of this state who are sixty-five years of age or older and the	2954

spouses of such residents. The insurance shall be offered, issued, 2955
and administered in the name of the association. Membership in the 2956
association shall be open to any insurer and each insurer which 2957
participates shall be liable for a specified percentage of the 2958
risks. The policy may be executed on behalf of the association by 2959
a duly authorized person and need not be countersigned by an 2960
agent. 2961

(C) The persons eligible for coverage under the policy shall 2962
be all residents of this state who are sixty-five years of age or 2963
older and their spouses, subject to reasonable underwriting 2964
restrictions to be set forth in the plan of the association. The 2965
policy may provide basic hospital and surgical coverage, basic 2966
medical coverage, major medical coverage, and any combination of 2967
these; provided that it shall not be required as a condition for 2968
obtaining major medical coverage that any basic coverage be taken. 2969

(D) The association shall file with the superintendent of 2970
insurance any policy, contract, certificate, or other evidence of 2971
insurance, application, or other forms pertaining to such 2972
insurance together with the premium rates to be charged therefor. 2973
The superintendent may approve, disapprove, and withdraw approval 2974
of the forms in accordance with section 3923.02 of the Revised 2975
Code, or the premium rates if by reasonable assumptions such rates 2976
are excessive in relation to the benefits provided. In determining 2977
whether such rates by reasonable assumptions are excessive in 2978
relation to the benefits provided the superintendent shall give 2979
due consideration to past and prospective claim experience, within 2980
and outside this state, and to fluctuations in such claim 2981
experience, to a reasonable risk charge, to contribution to 2982
surplus and contingency funds, to past and prospective expenses, 2983
both within and outside this state, and to all other relevant 2984
factors within and outside this state, including any differing 2985
operating methods of the insurers joining in the issuance of the 2986

policy. In reviewing the forms the superintendent shall not be
bound by the requirements of sections 3923.04 to 3923.07 of the
Revised Code with respect to standard provisions to be included in
sickness and accident policies or forms.

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

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

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

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

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Sec. 3929.30. The president or the vice-president and the
secretary of each insurance company organized under the laws of
this or any other state and doing business in this state,

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annually, on the first day of January or within sixty days 3018
thereafter, shall prepare, under oath, and deposit in the office 3019
of the superintendent of insurance a statement of the condition of 3020
such company on the next preceding thirty-first day of December. 3021
The statement shall be submitted on the forms adopted by the 3022
superintendent pursuant to section ~~3905.29~~ 3901.77 of the Revised 3023
Code, and shall exhibit the following facts and items: 3024

(A) The amount of the capital stock of the company, 3025
specifying the amount paid and unpaid; 3026

(B) A detailed statement of all the assets of the company and 3027
the manner of their investment. 3028

(C) The liabilities of the company, specifying: 3029

(1) The amount of losses due and unpaid; 3030

(2) The amount of claims for losses resisted by the company; 3031

(3) The amount of losses incurred during the year, including 3032
those claimed and not due, and those reported to the company upon 3033
which no action has been taken; 3034

(4) The amount of dividends declared, due, and unpaid; 3035

(5) The amount of dividends, either cash or scrip, declared 3036
but not due; 3037

(6) The amount of money borrowed and the security given for 3038
its payment; 3039

(7) The amount required for reinsurance, being a pro rata of 3040
all premiums, received and receivable, on unexpired risks and 3041
policies, provided that as to fire insurance business, a company 3042
may, at its option, maintain a sum equal to fifty per cent of the 3043
whole amount of premiums received and receivable on unexpired 3044
risks and policies running one year and less from the date of the 3045
policy. In the case of marine insurance, premiums on trip risks 3046
not terminated shall be deemed unearned, and the superintendent 3047

may require a reserve to be carried thereon equal to one hundred	3048
per cent of the premiums on trip risks written during the month	3049
ended as of the date of statement.	3050
(8) The amount of all other existing claims against the	3051
company;	3052
(9) A statement, approved by the superintendent, from a	3053
member of the American academy of actuaries certifying that the	3054
loss and loss adjustment reserves established for medical	3055
malpractice business, as reported in the statutory annual	3056
statement, are computed in accordance with accepted loss reserving	3057
standards and are fairly stated in accordance with sound loss	3058
reserving principles.	3059
(D) The income of the company during the preceding year,	3060
specifying:	3061
(1) The amount of cash premiums received;	3062
(2) The amount of notes or contingent assets received for	3063
premiums;	3064
(3) The amount of interest money received;	3065
(4) The amount of income received from other sources.	3066
(E) The expenditure during the preceding year, specifying:	3067
(1) The amount of losses paid during the year, stating how	3068
much of them accrued prior, and how much accrued subsequent, to	3069
the date of the preceding statement, and the amount at which	3070
losses were estimated in each preceding statement;	3071
(2) The amount of dividends paid during the year;	3072
(3) The amount of expenses paid during the year, including	3073
commissions and fees to agents and officers of the company;	3074
(4) The amount paid for taxes;	3075
(5) The amount of all payments and expenditures;	3076

(6) The amount of scrip dividend declared. 3077

Sec. 3931.101. The provisions of ~~sections 3905.01 to 3905.04~~ 3078
Chapter 3905. of the Revised Code, relating to the appointment, 3079
licensing, qualification and regulation of insurance agents, 3080
brokers, and solicitors shall apply to all persons authorized to 3081
solicit powers of attorney or applications for contracts of 3082
indemnity for any reciprocal exchange, insurance exchange or 3083
attorney in fact as provided for in Chapter 3931. of the Revised 3084
Code, except a traveling full time salaried non-commission 3085
employee of an attorney whose duties as such employee are 3086
primarily the performance of inspection underwriting, loss 3087
prevention engineering and claim services shall be exempt from 3088
this section and shall be regulated solely by section 3931.11 of 3089
the Revised Code. 3090

Sec. 3931.11. Every attorney shall certify to the 3091
superintendent of insurance the names and addresses of the 3092
attorney's traveling full time salaried non-commission employees, 3093
primarily engaged in performing underwriting, loss prevention 3094
engineering and claim services, authorized by the attorney to 3095
solicit powers of attorney or applications for contracts of 3096
indemnity specified in section 3931.01 of the Revised Code. The 3097
authority of such persons shall continue until the first day of 3098
the next April, unless it is cancelled by the attorney and the 3099
certificate of such cancellation is filed with the superintendent, 3100
or unless the license of the attorney or authority of such person 3101
is revoked or suspended by the superintendent. Expiring 3102
certificates of authority of such persons may be renewed in like 3103
manner to continue until the first day of the next April. The 3104
superintendent shall record the names and addresses of such 3105
persons so that their names may conveniently be inspected and 3106
shall thereupon certify and deliver to the attorney a list of the 3107

names of all persons so recorded. 3108

If the superintendent finds that any such person has 3109
willfully violated, or failed to comply with, sections 3931.01 to 3110
3931.12 of the Revised Code, or has been convicted of a felony in 3111
the United States, or in this or any state, or has been guilty of 3112
any act or acts ~~which~~ that if performed by an agent licensed under 3113
~~section 3905.02~~ Chapter 3905. of the Revised Code would constitute 3114
statutory grounds for the revocation of ~~such~~ the agent's license, 3115
the superintendent may refuse or revoke the authority of the 3116
person and cancel the person's name on the superintendent's 3117
records, and the superintendent shall thereupon notify the person 3118
and the attorney of the revocation. Thereafter the person shall 3119
not act as representative of any attorney until a new certificate 3120
of authority by the attorney thereafter appointing the person is 3121
filed with and approved by the superintendent. 3122

No such person shall act for any attorney in placing 3123
insurance or making such contracts of indemnity, unless the 3124
attorney has the license required by section 3931.10 of the 3125
Revised Code, nor unless the unexpired, unrevoked, and unsuspended 3126
certificate of ~~such~~ the person's authority is filed with the 3127
superintendent. Any such person shall be individually liable on 3128
any contract of indemnity made, issued, or accepted through that 3129
person as representing any attorney who is not licensed by the 3130
superintendent to make such contracts of indemnity. 3131

Sec. 3933.04. No person, firm, or corporation engaged in 3132
selling real or personal property, ~~engaged in the business of~~ 3133
~~financing the purchase of real or personal property, or engaged in~~ 3134
~~the business of lending money on the security of real or personal~~ 3135
~~property,~~ and no trustee, director, officer, agent, or other 3136
employee of any such person, firm, or corporation, shall require, 3137
as a condition precedent to the sale ~~or financing the purchase~~ of 3138
such property, ~~to lending money upon the security of a mortgage~~ 3139

~~thereon, or as a condition prerequisite for the renewal or~~ 3140
~~extension of any such loan or mortgage or for the performance of~~ 3141
~~any other act in connection therewith,~~ that the person, firm, or 3142
corporation purchasing such the property, ~~for whom such purchase~~ 3143
~~is to be financed, to whom the money is to be loaned, or for whom~~ 3144
~~such extension, renewal, or other act is to be granted, or~~ 3145
~~performed,~~ negotiate any policy of insurance or renewal thereof 3146
covering such the property through a particular insurance company, 3147
agent, solicitor, or broker. This section does not prevent the 3148
exercise by any person, firm, or corporation of its right to 3149
designate minimum standards as to the company, the terms and 3150
provisions of the policy, and the adequacy of the coverage with 3151
respect to insurance on property pledged or mortgaged to such the 3152
person, firm, or corporation. 3153

The superintendent of insurance shall, in accordance with 3154
~~sections 119.01 to 119.13, inclusive,~~ Chapter 119. of the Revised 3155
Code, revoke the insurance license of any person, appointee, 3156
agent, solicitor, or broker ~~who~~ that violates this section. 3157

Sec. 3953.21. (A) Every title insurance company authorized to 3158
transact business within this state shall certify annually to the 3159
superintendent of insurance the names of all title insurance 3160
agents representing it in this state in accordance with section 3161
~~3905.02~~ 3905.20 of the Revised Code. 3162

(B) No bank, trust company, bank and trust company, or other 3163
lending institution, mortgage service, brokerage, mortgage 3164
guaranty company, escrow company, real estate company or any 3165
subsidiaries thereof or any individuals so engaged shall be 3166
permitted to act as an agent for a title insurance company. 3167

Sec. 3953.23. (A) Every title insurance agent shall keep 3168
books of account and record and vouchers pertaining to the 3169
business of title insurance in such manner that the title 3170

insurance company may readily ascertain from time to time whether 3171
the agent has complied with this chapter. 3172

(B) A title insurance agent may engage in the business of 3173
handling escrows of real property transactions directly connected 3174
with the business of title insurance, provided that the agent 3175
shall maintain a separate record of all receipts and disbursements 3176
of escrow funds and shall not commingle any such funds with the 3177
agent's own funds or with funds held by the agent in any other 3178
capacity; and if at any time the superintendent of insurance 3179
determines that an agent has failed to comply with any of the 3180
provisions of this section, the superintendent may revoke the 3181
license of the agent pursuant to section ~~3905.02~~ 3905.14 of the 3182
Revised Code, subject to review as provided for in Chapter 119. of 3183
the Revised Code. All agents shall be covered by a fidelity bond 3184
in an amount and with a company satisfactory to the principal. 3185

Sec. 3957.14. (A) No person shall, except for the renewal of 3186
an existing home service contract, procure, receive, or forward 3187
applications for home service contracts unless the person is ~~a~~ 3188
~~resident of this state who is~~ one of the following: 3189

(1) A real estate licensee as licensed by the real estate 3190
division of the department of commerce of this state; 3191

(2) An organization or franchisor or licensor of such a real 3192
estate licensee; 3193

(3) A licensed insurance agent for casualty, property, or 3194
personal lines; 3195

(4) Any other person to whom the superintendent of insurance 3196
has issued a license to perform such services. The superintendent 3197
shall not issue such a license unless the person has paid a fee of 3198
twenty dollars and has been determined by the superintendent to be 3199
qualified. The superintendent shall issue such a license only if 3200
the person successfully passes a written examination prescribed by 3201

the superintendent. 3202

(B) No home warranty company or person acting on behalf of 3203
such a company under division (A) of this section shall pay to any 3204
person who is acting as the agent, representative, attorney, or 3205
employee of the owner or prospective owner of residential property 3206
with respect to which a home service contract is to be issued, any 3207
commission or any other consideration, either directly or 3208
indirectly, as an inducement or compensation for the issuance, 3209
purchase, or acquisition of a home service contract. A home 3210
warranty company may reimburse such persons for expenses actually 3211
incurred in the issuance, sale, advertising, or processing of home 3212
service contracts or in performing an inspection of residential 3213
property with respect to which a home service contract is issued. 3214
No commission shall be paid to any person except a person 3215
authorized to receive such a commission under this section. In the 3216
event a commission is paid, no rebates shall be permitted and the 3217
prohibitions of section 3933.01 of the Revised Code apply. 3218

Sec. 3960.03. All of the following apply to risk retention 3219
groups chartered and licensed in states other than this state, 3220
that seek to do business as a risk retention group in this state: 3221

(A) No risk retention group shall offer insurance in this 3222
state unless it has submitted to the superintendent of insurance, 3223
in a form satisfactory to the superintendent, all of the 3224
following: 3225

(1) A statement identifying the state or states in which it 3226
is chartered and licensed as a liability insurance company, the 3227
date of chartering, its principal place of business, and any other 3228
information, including but not limited to, information on its 3229
membership, that the superintendent may require to verify that it 3230
is qualified under division (J) of section 3960.01 of the Revised 3231
Code; 3232

(2) A copy of its plan of operation or a feasibility study 3233
and revisions of the plan or study submitted to the state in which 3234
the risk retention group is chartered and licensed. Division 3235
(A)(2) of this section does not apply to any line or 3236
classification of liability insurance that was defined in the 3237
federal "Product Liability Risk Retention Act of 1981," 95 Stat. 3238
949, 15 U.S.C.A. 3901, as amended, before October 27, 1986, and 3239
was offered before that date by any risk retention group that had 3240
been chartered and operating for not less than three years before 3241
that date. The risk retention group shall submit a copy of any 3242
revision to its plan of operation or feasibility study required by 3243
division (A)(2) of section 3960.02 of the Revised Code at the same 3244
time that the revision is submitted to the ~~Commissioner~~ 3245
commissioner of ~~Insurance~~ insurance of its chartering state. 3246

(3) A statement of registration, for which a filing fee shall 3247
be determined by the superintendent, that submits it to the 3248
jurisdiction of the superintendent and the courts of this state. 3249
The fee shall be paid into the state treasury to the credit of the 3250
department of insurance operating fund pursuant to section 3251
3901.021 of the Revised Code. 3252

(B) A risk retention group doing business in this state shall 3253
submit to the superintendent all of the following: 3254

(1) A copy of its financial statement submitted to the state 3255
in which the risk retention group is chartered and domiciled, 3256
which shall be certified by an independent public accountant and 3257
contain a statement of opinion on loss and loss adjustment expense 3258
reserves made by a member of the American academy of actuaries or 3259
a qualified loss reserve specialist under criteria established by 3260
the national association of insurance commissioners; 3261

(2) A copy of each examination of the group as certified by 3262
the commissioner or public official conducting the examination; 3263

(3) Upon request by the superintendent, a copy of any	3264
information or document pertaining to any outside audit performed	3265
with respect to the group;	3266
(4) Any information that may be required to verify, to the	3267
superintendent's satisfaction, its continuing qualification as a	3268
risk retention group under division (J) of section 3960.01 of the	3269
Revised Code.	3270
(C)(1) Agents or brokers for the risk retention group shall	3271
report to the superintendent the premiums for direct business for	3272
risks resident or located within this state that they have placed	3273
with or on behalf of a risk retention group not chartered in this	3274
state.	3275
(2) The agent or broker shall keep a complete and separate	3276
record of all policies procured from each risk retention group,	3277
which record shall be open to examination by the superintendent.	3278
These records shall, for each policy and each kind of insurance	3279
provided, include the following:	3280
(a) The limit of liability;	3281
(b) The time period covered;	3282
(c) The effective date;	3283
(d) The name of the risk retention group that issued the	3284
policy;	3285
(e) The gross premium charged;	3286
(f) The amount of return premiums.	3287
(D) Every risk retention group that is not chartered in this	3288
state shall do both of the following:	3289
(1) On or before the first <u>thirty-first</u> day of July <u>January</u> ,	3290
pay to the treasurer of state five per cent of all premiums, fees,	3291
assessments, dues, or other consideration for the preceding	3292

one-year period for risks resident or located in this state, as 3293
calculated on a form prescribed by the treasurer of state. If such 3294
tax is not paid when due, the tax shall be increased by a penalty 3295
of twenty-five per cent. An interest charge computed as set forth 3296
in section 5725.221 of the Revised Code shall be made on the 3297
entire sum of the tax plus penalty, which interest shall be 3298
computed from the date the tax is due until it is paid. All taxes 3299
collected under this section shall be paid into the general 3300
revenue fund. For purposes of division (D)(1) of this section, 3301
payment is considered made when it is received by the treasurer of 3302
state, irrespective of any United States postal service marking or 3303
other stamp or mark indicating the date on which the payment may 3304
have been mailed. 3305

(2) ~~Within thirty days after~~ On or before the ~~end~~ 3306
thirty-first day of ~~each quarter~~ January, file a statement with 3307
the superintendent, on a form prescribed by the superintendent, 3308
showing the name and address of the insured, name and address of 3309
the insurer, subject of the insurance, general description of the 3310
coverage, the amount of gross premium, fee, assessment, dues, or 3311
other consideration for the insurance, after a deduction for 3312
return premium, if any, and any other information the 3313
superintendent requires. 3314

(E) The superintendent may examine the financial condition of 3315
a risk retention group if the commissioner of insurance in the 3316
state in which it is chartered and licensed has not initiated an 3317
examination or does not initiate an examination within sixty days 3318
after the superintendent has requested an examination. The 3319
examination shall be conducted in an expeditious manner and in 3320
accordance with the national association of insurance 3321
commissioners' examiner handbook. 3322

(F) The superintendent may issue any order appropriate in 3323
voluntary dissolution proceedings or commence delinquency 3324

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

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

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

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

(D) No person shall act or aid in any manner in soliciting, negotiating, or procuring liability insurance from an insurer not authorized to do business in this state on behalf of a purchasing

group located in this state unless the person is licensed as a 3356
surplus line broker in accordance with section 3905.30 of the 3357
Revised Code. 3358

Section 2. That existing sections 1751.38, 3901.021, 3901.19, 3359
3901.22, 3901.51, 3901.62, 3903.81, 3905.012, 3905.03, 3905.06, 3360
3905.09, 3905.11, 3905.12, 3905.13, 3905.14, 3905.181, 3905.24, 3361
3905.25, 3905.26, 3905.27, 3905.28, 3905.29, 3905.30, 3905.31, 3362
3905.34, 3905.36, 3905.41, 3905.47, 3905.482, 3905.483, 3905.484, 3363
3905.486, 3905.49, 3905.491, 3905.492, 3905.50, 3905.52, 3905.72, 3364
3905.85, 3905.861, 3905.89, 3905.94, 3905.99, 3907.19, 3909.06, 3365
3911.011, 3923.121, 3929.30, 3931.101, 3931.11, 3933.04, 3953.21, 3366
3953.23, 3957.14, 3960.03, and 3960.11 and sections 3905.01, 3367
3905.011, 3905.013, 3905.02, 3905.04, 3905.07, 3905.08, 3905.15, 3368
3905.16, 3905.17, 3905.18, 3905.19, 3905.20, 3905.21, 3905.22, 3369
3905.23, 3905.40, 3905.48, 3905.51, and 3905.54 of the Revised 3370
Code are hereby repealed. 3371

Section 3. Sections 1 and 2 of this act shall take effect six 3372
months after the effective date of this act. 3373

Section 4. Sections 3905.34, 3905.36, and 3960.03 of the 3374
Revised Code, as amended by this act, shall first apply to the 3375
filing or reporting period that begins January 1, 2003, and 3376
concludes December 31, 2003. For those persons that, on the 3377
effective date of this act, are subject to a quarterly filing 3378
requirement, the last quarterly filing period shall conclude 3379
December 31, 2002. For those persons that, on the effective date 3380
of this act, are subject to an annual reporting period that 3381
concludes July 1, 2002, that reporting period shall be extended 3382
for six months and shall conclude December 31, 2002. 3383