

# As Reported by the House Insurance Committee

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Sub. S. B. No. 129

SENATORS Nein, Austria

REPRESENTATIVES Stapleton, Salerno, G. Smith, Olman, Calvert, Flannery,  
Flowers, Krupinski, Britton, Evans, Cirelli, Jolivette, Schaffer, Wolpert, Sferra,  
Blasdel

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## A BILL

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

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

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

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

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

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

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

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

(G) "Depository institution" means a bank, savings bank, 109  
savings and loan association, or credit union that is subject to 110  
regulation or supervision by the United States or any state. 111  
"Depository institution" does not include an insurance company. 112

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

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

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

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

(5) Use an advertisement or other insurance promotional 169  
material that would cause a reasonable person to mistakenly 170  
believe that the federal government or the state is responsible 171  
for the insurance sales activity of, or stands behind the credit 172  
of, the person, depository institution, or an affiliate of the 173  
person or depository institution; 174

(6) Use an advertisement or other insurance promotional material that would cause a reasonable person to mistakenly believe that the federal government or the state guarantees any return on insurance products or is a source of payment on any insurance obligation of or sold by the person or an affiliate of the person; 175  
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(7) Pay or receive any commission, brokerage fee, or other compensation as an agent, unless the person holds a valid agent's license for the applicable class of insurance. However, an unlicensed person may make a referral to a licensed agent, provided that the person does not discuss specific insurance policy terms and conditions. The unlicensed person may be compensated for the referral; however, in the case of a referral of a customer, the unlicensed person may be compensated only if the compensation is a fixed dollar amount for each referral that does not depend on whether the customer purchases the insurance product from the licensed agent. Further, any person that accepts deposits from the public in an area where such transactions are routinely conducted in the depository institution may receive for each customer referral no more than a one-time, nominal fee of a fixed dollar amount that does not depend on whether the referral results in a transaction. 181  
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(8) Solicit or sell insurance, other than credit insurance or flood insurance, unless the solicitation or sale is completed through documents separate from any credit transactions; 197  
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(9) Include the expense of insurance premiums, other than credit insurance premiums or flood insurance premiums, in the primary credit transaction without the express written consent of the customer. 200  
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(C)(1) If an application for a loan or extension of credit is pending before a person that lends money or extends credit and that also solicits insurance primarily for personal, family, or 204  
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household purposes in connection with that loan or extension of 207  
credit, that person shall disclose to the customer, in writing, 208  
that the insurance related to the credit extension may be 209  
purchased from an insurer or agent of the customer's choice, 210  
subject only to the lender's right to reject a given insurer or 211  
agent as provided in division (B)(2) of this section. Further, the 212  
disclosure shall inform the customer that the customer's choice of 213  
an insurer or agent will not affect the credit decision or credit 214  
terms in any way, except that the person lending money or 215  
extending credit may impose reasonable requirements as provided in 216  
division (B)(2) of this section. 217

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

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

(D)(1) A depository institution that solicits, sells, 238



advertises, or offers insurance, and any person that solicits, 239  
sells, advertises, or offers insurance on behalf of a depository 240  
institution or on the premises of a depository institution, shall 241  
disclose to the customer in writing, where practicable and in a 242  
clear and conspicuous manner, prior to a sale, that the insurance: 243

(a) Is not a deposit; 244

(b) Is not insured by the federal deposit insurance 245  
corporation or any other federal government agency; 246

(c) Is not guaranteed by the depository institution, and, 247  
when applicable, that the insurance is not guaranteed by an 248  
affiliate of the depository institution or by any person that is 249  
soliciting, selling, advertising, or offering insurance; 250

(d) Involves investment risk including the possible loss of 251  
value, where this disclosure is appropriate. 252

(2) A depository institution that solicits, sells, 253  
advertises, or offers insurance, and any person that solicits, 254  
sells, advertises, or offers insurance on behalf of a depository 255  
institution or on the premises of a depository institution, shall 256  
obtain written acknowledgement of the receipt of the disclosure 257  
from the customer at the time the customer receives the disclosure 258  
or at the time of the initial purchase of the insurance policy. If 259  
the solicitation is conducted by telephone, the person or 260  
depository institution shall obtain an oral acknowledgement of 261  
receipt of the disclosure, maintain sufficient documentation to 262  
show that the acknowledgement was given by the customer, and make 263  
reasonable efforts to obtain a written acknowledgement from the 264  
customer. If a customer affirmatively consents to receiving the 265  
disclosures electronically and the disclosures are provided in a 266  
format that the customer may retain or obtain later, the person or 267  
depository institution may provide the disclosure and obtain 268  
acknowledgement of the receipt of the disclosure from the customer 269  
using electronic media. 270

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

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

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

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

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

(E) Nothing in this section shall prevent a person that lends 296  
money or extends credit from placing insurance on real or personal 297  
property in the event the mortgagor, borrower, or purchaser has 298  
failed to provide required insurance in accordance with the terms 299  
of the loan or credit document. 300

(F)(1) A violation of this section is an unfair and deceptive 301

act or practice in the business of insurance under sections 302  
3901.19 to 3901.26 of the Revised Code. 303

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

(B) Upon good cause shown, the superintendent shall permit 329  
any person to intervene, appear, and be heard at the hearing, 330  
either in person or by counsel. 331

(C) The superintendent shall send a copy of the order to 332

those persons intervening in the hearing. 333

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

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

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

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

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

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

(5) ~~He~~ The superintendent may order ~~such~~ the person to pay to 359  
the state treasury for credit to the department's operating fund 360  
an amount, not in excess of one hundred thousand dollars, equal to 361  
one-half of the expenses reasonably incurred by the superintendent 362  
to retain attorneys, actuaries, accountants, and other experts not 363

otherwise a part of the superintendent's staff to assist directly 364  
in the conduct of any investigations and hearings conducted with 365  
respect to violations committed by ~~such~~ the person. 366

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

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

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

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

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

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

this section.

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

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

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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

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the department does not pay such award or no such funds are 427  
available, the award shall be treated as if it were a judgment 428  
under Chapter 2743. of the Revised Code and be payable in 429  
accordance with the procedures specified in section 2743.19 of the 430  
Revised Code, except that interest shall not be paid in relation 431  
to the award. 432

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

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

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

(C) "Federal reserve book-entry system" means the 449  
computerized systems sponsored by the United States department of 450  
the treasury and agencies and instrumentalities of the United 451  
States for holding and transferring securities of the United 452  
States government and agencies and instrumentalities in federal 453  
reserve banks through banks that are members of the federal 454  
reserve system or that otherwise have access to these computerized 455  
systems. 456

(D) "Member bank" means a national or state bank or a trust 457

company that is a member of the federal reserve system and through  
which an insurance company participates in the federal reserve  
book-entry system.

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

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

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

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

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

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(3) The reinsurance is ceded to an assuming insurer that

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maintains a trust fund in a qualified United States financial  
institution, as defined in division (B)(2) of section 3901.63 of  
the Revised Code, for the payment of the valid claims of its  
United States policyholders and ceding insurers, and their assigns  
and successors in interest.

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

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

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(2) In the case of a group of assuming insurers, including  
incorporated and individual unincorporated underwriters, the trust  
shall consist of a trusteed account representing the group's  
liabilities attributable to business written in the United States.  
A trusteed 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:

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

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

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

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

(1) The trust instrument shall provide that contested claims 551  
are valid and enforceable upon the final order of any court of 552  
competent jurisdiction in the United States. 553

(2) The trust shall vest legal title to its assets in the 554  
trustees of the trust for its United States policyholders and 555  
ceding insurers, and their assigns and successors in interest. 556

(3) The trust, and the assuming insurer maintaining the 557  
trust, shall allow the superintendent to conduct examinations in 558  
the same manner as the superintendent conducts examinations of 559  
insurers under section 3901.07 of the Revised Code. 560

(D) No later than the last day of February of each year, the 561  
trustees of a trust maintained by an assuming insurer under 562  
division (A)(3) of this section shall provide the superintendent 563  
with a written report setting forth the balance of the trust and 564  
listing the trust's investments as of the preceding thirty-first 565  
day of December. The trustees shall certify the date of the 566  
termination of the trust, if termination of the trust is planned, 567  
or shall certify that the trust does not expire prior to the 568  
following thirty-first day of December. 569

(E) To enable the superintendent to determine the sufficiency 570  
of a trust maintained by an assuming insurer under division (A)(3) 571  
of this section, the assuming insurer shall annually report 572  
information on the trust to the superintendent that is 573  
substantially the same as that information licensed insurers are 574  
required to report under sections 3907.19, 3909.06, and 3929.30 of 575  
the Revised Code on forms adopted under section ~~3905.29~~ 3901.77 of 576  
the Revised Code. 577

(F) An assuming insurer shall file a written instrument 578  
appointing an attorney as its agent in this state upon whom all 579  
service of process may be served. Service of process upon this 580  
agent shall bring the assuming insurer within the jurisdiction of 581

the courts of this state as if served upon an agent pursuant to  
section 3927.03 of the Revised Code.

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

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**Sec. ~~3905.25~~ 3901.75.** When any insurance company or  
corporation other than life, which company or corporation has made  
a deposit with the superintendent of insurance, intends to  
discontinue its business in this state, the superintendent, upon  
the application of ~~such~~ the company or corporation, shall give

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notice at its expense of such intention at least once a week for 613  
six weeks in three newspapers of general circulation in the state. 614

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

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

For the purpose of enabling the superintendent of insurance 634  
to secure the analyses, reports, and information developed by the 635  
committee on valuation of securities of the national association 636  
of insurance commissioners and to pay for such information by 637  
cooperating with other states in defraying the expenses of ~~such~~ 638  
the committee in the investigation, analysis, and valuation of 639  
securities and the determination of amortizability of bonds owned 640  
by life insurance companies for the purpose of furnishing to the 641  
several states on a uniform basis the information needed in the 642  
supervision of insurance companies licensed to transact business 643  
in the several states, there is hereby created in the state 644

treasury the security valuation expense fund. 645

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

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

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

If the superintendent is satisfied as to the reasonableness 663  
of ~~such~~ the budget estimate, ~~he~~ the superintendent shall determine 664  
the portion of the moneys required by ~~such~~ the budget estimate, to 665  
be assessed as provided in this section, by deducting from ~~such~~ 666  
the budget estimate or from the sum of two hundred fifty thousand 667  
dollars, whichever is less, any amounts received or receivable by 668  
the committee from states with laws that do not substantially 669  
conform to the method of assessment provided in this section and 670  
applying to the remainder the proportion ~~which~~ that the total 671  
investments in securities of domestic life insurers bear to the 672  
total investments in securities of life insurers domiciled in this 673  
and other states with laws that authorize and require assessments 674  
on substantially the same basis as provided in this section. The 675  
superintendent shall thereafter, as soon as convenient, by notice 676

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

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

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

(B) For circumstances not addressed by the forms, 706  
instructions, and manuals prescribed by the national association 707  
of insurance commissioners, the superintendent may determine 708

accounting practices and methods for purposes of preparing 709  
statutory financial statements and other financial information. 710

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

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

**Sec. ~~3905.11~~ 3901.781.** Annually, and before the time of 732  
making its report to the superintendent of insurance as required 733  
by section ~~3905.12~~ 3901.782 of the Revised Code, each insurance 734  
company and association not incorporated under the laws of this 735  
state shall publish its certificate of compliance in every county 736  
where it has an agency, in a newspaper published and of general 737  
circulation in such county. 738



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

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

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

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

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

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

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

**Sec. 3905.12 3901.782.** On or before the first day of October  
of each year, each insurance company and association doing  
business in this state, which company or association is not

incorporated under the laws thereof, shall file with the 769  
superintendent of insurance, upon blanks prepared and upon 770  
application furnished by ~~him~~ the superintendent, a report in 771  
writing under oath of its president and secretary showing the 772  
counties in which publication of its certificate of authority to 773  
do business was made, the counties in which it had agencies at the 774  
time of such publication, and the names of the newspapers in which 775  
the publication was made, with a copy of the certificate so 776  
published attached thereto. 777

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

**Sec. ~~3905.14~~ 3901.784.** Publication of a certificate of 789  
compliance in a newspaper shall not be approved by the 790  
superintendent of insurance unless prior to ~~such~~ the publication 791  
~~he~~ the superintendent has certified that ~~such~~ the newspaper is one 792  
published and of general circulation in the county, but if 793  
publication has been made in any such newspaper without ~~such~~ the 794  
certification and a report filed as required by section ~~3905.12~~ 795  
3901.782 of the Revised Code, and ~~such~~ the certificate of the 796  
superintendent is procured within the time ~~he~~ the superintendent 797  
designates, publication in ~~such~~ the newspaper shall be approved. 798  
The superintendent shall keep a book in which shall be recorded 799

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

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

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

(B) Beginning on ~~the effective date of this amendment~~ July 1, 821  
1993, twenty per cent of the amount that is collected under 822  
division (A) of this section from foreign insurance companies that 823  
sell fire insurance to residents of this state shall be paid into 824  
the state fire marshal's fund created under section 3737.71 of the 825  
Revised Code. The director of commerce, with the approval of the 826  
director of budget and management, may increase the percentage 827  
described in this division so that it will yield an amount that 828  
the director of commerce determines necessary to assist in the 829  
maintenance and administration of the office of the fire marshal 830  
and in defraying the costs of operating the Ohio fire academy 831

established by section 3737.33 of the Revised Code. 832

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

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

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

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

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

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

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

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

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

(I) "NAIC" means the national association of insurance 858  
commissioners. 859

(J) "Negative trend" means a negative trend over a period of 860

time for a life or health insurer as determined in accordance with 861  
the trend test calculation included in the RBC instructions. 862

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

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

(M) "RBC<sup>4</sup> instructions" means the RBC report, including 869  
risk-based capital instructions, as adopted by the NAIC and as 870  
amended by the NAIC from time to time in accordance with the 871  
procedures adopted by the NAIC. However, no NAIC amendment to the 872  
RBC instructions shall become effective until the superintendent 873  
has adopted by rule the RBC instructions as so amended. "RBC 874  
instructions" shall also include any modifications adopted by the 875  
superintendent, as the superintendent considers to be necessary. 876

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

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

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

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

(R) "Regulatory action level RBC" means the product of 1.5 889  
and an insurer's authorized control level RBC. 890

(S) "Total adjusted capital" means the sum of both of the 891  
following: 892

(1) An insurer's statutory capital and surplus as determined 893  
in accordance with the statutory accounting applicable to the 894  
annual statements prepared on a form adopted under section ~~3905.29~~ 895  
3901.77 of the Revised Code, as required to be filed by sections 896  
3907.19, 3909.06, and 3929.30 of the Revised Code; 897

(2) Such other items, if any, as the RBC instructions may 898  
provide. 899

**Sec. 3905.01.** As used in this chapter: 900

(A) "Business entity" means a corporation, association, 901  
partnership, limited liability company, limited liability 902  
partnership, or other legal entity. 903

(B) "Home state" means the state or territory of the United 904  
States, including the District of Columbia, in which an insurance 905  
agent maintains the insurance agent's principal place of residence 906  
or principal place of business and is licensed to act as an 907  
insurance agent. 908

(C) "Insurance" means any of the lines of authority set forth 909  
in Chapter 1739., 1751., or 1761. or Title XXXIX of the Revised 910  
Code, or as additionally determined by the superintendent of 911  
insurance. 912

(D) "Insurance agent" or "agent" means any person that, in 913  
order to sell, solicit, or negotiate insurance, is required to be 914  
licensed under the laws of this state, including limited lines 915  
insurance agents and surplus line brokers. 916

(E) "Insurer" has the same meaning as in section 3901.32 of 917  
the Revised Code. 918

(F) "License" means the authority issued by the 919

superintendent to a person to act as an insurance agent for the 920  
lines of authority specified, but that does not create any actual, 921  
apparent, or inherent authority in the person to represent or 922  
commit an insurer. 923

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

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

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

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

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

(L) "Negotiate" means to confer directly with, or offer 947  
advice directly to, a purchaser or prospective purchaser of a 948  
particular contract of insurance with respect to the substantive 949  
benefits, terms, or conditions of the contract, provided the 950

person that is conferring or offering advice either sells 951  
insurance or obtains insurance from insurers for purchasers. 952

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

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

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

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

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

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

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

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

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

(1) Any insurer. For purposes of this division, "insurer" 975  
does not include an insurer's officers, directors, employees, 976  
subsidiaries, or affiliates. 977

(2) Any officer, director, or employee of an insurer or of an 978



insurance agent, provided the officer, director, or employee does 979  
not receive any commission on policies written or sold to insure 980  
risks residing, located, or to be performed in this state and any 981  
of the following applies: 982

(a) The activities of the officer, director, or employee are 983  
executive, administrative, managerial, clerical, or any 984  
combination thereof, and are only indirectly related to the sale, 985  
solicitation, or negotiation of insurance. 986

(b) The function of the officer, director, or employee 987  
relates to underwriting, loss control, inspection, or the 988  
processing, adjusting, investigation, or settling of a claim on a 989  
contract of insurance. 990

(c) The officer, director, or employee is acting in the 991  
capacity of a special agent or agency supervisor, provided the 992  
activities of the officer, director, or employee are limited to 993  
providing technical advice and assistance to licensed insurance 994  
agents and do not include the sale, solicitation, or negotiation 995  
of insurance. 996

(3) Any person who secures and furnishes information for 997  
purposes of group life insurance, group property and casualty 998  
insurance, group annuities, or group or blanket accident and 999  
health insurance, or for purposes of enrolling individuals under 1000  
plans, issuing certificates under plans, or otherwise assisting in 1001  
administering plans, or who performs administrative services 1002  
related to mass marketed property and casualty insurance, provided 1003  
that no commission is paid to the person for any of the services 1004  
described in this division; 1005

(4) Any employer or association, any officer, director, or 1006  
employee of an employer or association, or any trustee of an 1007  
employee trust plan, to the extent that any such person is engaged 1008  
in the administration or operation of an employee benefits program 1009  
for the employer's or association's own employees or for the 1010

employees of its subsidiaries or affiliates, if both of the 1011  
following apply: 1012

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

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

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

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

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

(8) Any salaried full-time employee who counsels or advises 1037  
the employee's employer with respect to the insurance interests of 1038  
the employer or of the employer's subsidiaries or business 1039  
affiliates, if the employee does not sell or solicit insurance or 1040  
receive a commission; 1041

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

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

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

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

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

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

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

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

**Sec. 3905.04.** (A) Except as otherwise provided in section 1066  
3905.041 of the Revised Code, a resident individual applying for 1067  
an insurance agent license for any of the lines of authority 1068  
described in division (B) of this section shall take a written 1069  
examination. The examination shall test the knowledge of the 1070  
individual with respect to the lines of authority for which 1071

application is made, the duties and responsibilities of an 1072  
insurance agent, and the insurance laws of this state. Before 1073  
admission to the examination, each individual shall pay the 1074  
nonrefundable fee required under division (D) of section 3905.40 1075  
of the Revised Code. 1076

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

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

(2) Title insurance; 1081

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

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

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

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

(2) The individual has completed, for each line of authority 1091  
for which the individual has applied, twenty hours of study in a 1092  
program of insurance education approved by the superintendent, in 1093  
consultation with the insurance agent education advisory council, 1094  
under criteria established by the superintendent. Division (C) of 1095  
this section does not apply with respect to title insurance or any 1096  
other line of authority designated by the superintendent. 1097  
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(D) An individual who fails to appear for an examination as 1099  
scheduled, or fails to pass an examination, may reapply for the 1100

examination if the individual pays the required fee and submits 1101  
any necessary forms prior to being rescheduled for the 1102  
examination. 1103

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

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

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

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

(2) To determine an applicant's licensure and standing status 1127  
in another state, the superintendent of insurance may utilize the 1128  
producer database maintained by the NAIC or its affiliates or 1129  
subsidiaries. If that information is not available on the producer 1130  
database, the superintendent may require a certification letter 1131

from the prior home state. 1132

(B) An individual who applies for a temporary insurance agent license in this state shall not be required under section 3905.04 of the Revised Code to complete any prelicensing education or to pass a written examination. 1133  
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(C) The superintendent may exempt any limited lines insurance from the examination requirement of section 3905.04 of the Revised Code. 1137  
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**Sec. 3905.05.** (A) A natural person shall apply for a resident insurance agent license by submitting to the superintendent of insurance the uniform application or any other application prescribed by the superintendent, any additional information required by the superintendent, and a declaration made under penalty of refusal, suspension, or revocation of the license, that the statements made in the application are true, correct, and complete to the best of the applicant's knowledge and belief. 1140  
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The applicant shall also request a criminal records check conducted by the superintendent of the bureau of criminal identification and investigation in accordance with section 109.572 of the Revised Code, or other governmental agencies, or other sources, as required and designated by the superintendent of insurance, and direct that the responses to that request be transmitted to the superintendent of insurance, or to the superintendent's designee. If the superintendent of insurance or the superintendent's designee fails to receive a response to a requested criminal records check, or if the applicant fails to request the criminal records check, the superintendent may refuse to issue a license under this section. The applicant shall pay any fee required for conducting the criminal records check. 1149  
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(B) A business entity acting as an insurance agent shall 1162

apply for a resident insurance agent license by submitting to the 1163  
superintendent of insurance the uniform business entity 1164  
application or any other application prescribed by the 1165  
superintendent. 1166

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

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

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

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

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

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

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

(2) The superintendent shall issue a resident insurance agent 1186  
license to a business entity applicant if the superintendent finds 1187  
all of the following: 1188

(a) The applicant either is domiciled in Ohio or maintains 1189  
its principal place of business in Ohio. 1190

(b) The applicant has designated a licensed insurance agent 1191

who will be responsible for the applicant's compliance with the 1192  
insurance laws of this state. 1193

(c) The applicant has not committed any act that is a ground 1194  
for the denial, suspension, or revocation of a license under 1195  
section 3905.14 of the Revised Code. 1196

(B) An insurance agent license issued pursuant to division 1197  
(A) of this section shall state the licensee's name, the license 1198  
number, the date of issuance, the date the license expires, the 1199  
line or lines of authority for which the licensee is qualified, 1200  
and any other information the superintendent deems necessary. 1201

A licensee may be qualified for any of the following lines of 1202  
authority: 1203

(1) Life, which is insurance coverage on human lives, 1204  
including benefits of endowment and annuities, and may include 1205  
benefits in the event of death or dismemberment by accident and 1206  
benefits for disability income; 1207

(2) Accident and health, which is insurance coverage for 1208  
sickness, bodily injury, or accidental death, and may include 1209  
benefits for disability income; 1210

(3) Property, which is insurance coverage for the direct or 1211  
consequential loss or damage to property of any kind; 1212

(4) Casualty, which is insurance coverage against legal 1213  
liability, including coverage for death, injury, or disability or 1214  
damage to real or personal property; 1215

(5) Variable life and variable annuity products, which is 1216  
insurance coverage provided under variable life insurance 1217  
contracts and variable annuities; 1218

(6) Personal lines, which is property and casualty insurance 1219  
coverage sold to individuals and families for noncommercial 1220  
purposes; 1221



<u>(7) Credit, which is limited line credit insurance;</u>	1222
<u>(8) Title, which is insurance coverage against loss or damage suffered by reason of liens against, encumbrances upon, defects in, or the unmarketability of, real property;</u>	1223 1224 1225
<u>(9) Surety bail bond, which is the authority set forth in sections 3905.83 to 3905.95 of the Revised Code;</u>	1226 1227
<u>(10) Any other line of authority designated by the superintendent.</u>	1228 1229
<u>(C) A resident insurance agent license shall be perpetual unless surrendered by the licensee or suspended or revoked by the superintendent.</u>	1230 1231 1232
<u>Sec. 3905.061. (A) If a person licensed as an insurance agent under section 3905.06 of the Revised Code changes the person's address within the state, the person shall, within thirty days after making that change, file a change of address with the superintendent of insurance.</u>	1233 1234 1235 1236 1237
<u>(B)(1) If a person licensed as an insurance agent under section 3905.06 of the Revised Code changes the person's state of residence, the person shall, within thirty days after making that change, file a change of address with the superintendent and provide the superintendent with certification from the new state of residence.</u>	1238 1239 1240 1241 1242 1243
<u>(2) If an insurance agent complies with division (B)(1) of this section, the agent's license shall be changed to that of a nonresident license and no fee or license application shall be required.</u>	1244 1245 1246 1247
<u>Sec. 3905.07. (A) The superintendent of insurance shall issue a nonresident insurance agent license to an applicant that is a nonresident person if the superintendent finds all of the</u>	1248 1249 1250

<u>following:</u>	1251
<u>(1) The applicant is currently licensed as a resident and is in good standing in the applicant's home state.</u>	1252 1253
<u>(2) The applicant has submitted the request for licensure prescribed by the superintendent.</u>	1254 1255
<u>(3) The applicant has submitted or has had transmitted to the superintendent the application for licensure that the applicant submitted to the applicant's home state or a completed uniform application or uniform business entity application, as applicable.</u>	1256 1257 1258 1259 1260
<u>(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.</u>	1261 1262 1263
<u>(5) The applicant is of good reputation and character, is honest and trustworthy, and is otherwise suitable to be licensed.</u>	1264 1265
<u>(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.</u>	1266 1267 1268
<u>(B) To determine an applicant's licensure and standing status in another state, the superintendent may utilize the producer database maintained by the NAIC or its affiliates or subsidiaries. If that information is not available on the producer database, the superintendent may require a certification letter from the applicant's home state.</u>	1269 1270 1271 1272 1273 1274
<u>(C) A nonresident insurance agent license shall be perpetual unless surrendered by the licensee or suspended or revoked by the superintendent.</u>	1275 1276 1277
<u>(D) Notwithstanding any other provision of this chapter, a nonresident person licensed as a surplus lines producer in the applicant's home state shall receive a nonresident surplus lines</u>	1278 1279 1280

broker license pursuant to division (A) of this section. Nothing 1281  
in this section otherwise affects or supersedes any provision of 1282  
sections 3905.30 to 3905.37 of the Revised Code. 1283

**Sec. 3905.071.** (A)(1) If a nonresident person licensed as a 1284  
nonresident insurance agent under section 3905.07 of the Revised 1285  
Code changes the person's address within the person's state of 1286  
residence, the person shall, within thirty days after making that 1287  
change, file a change of address with the superintendent of 1288  
insurance. 1289

(2) If a nonresident person licensed as a nonresident 1290  
insurance agent under section 3905.07 of the Revised Code changes 1291  
the person's state of residence or the state in which the person's 1292  
principal place of business is located, the person shall, within 1293  
thirty days after making that change, file a change of address 1294  
with the superintendent and provide the superintendent with 1295  
certification from the new state of residence or the new state in 1296  
which the principal place of business is located. 1297

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

**Sec. 3905.072.** Notwithstanding any other provision of this 1301  
chapter, the superintendent of insurance shall issue to a 1302  
nonresident person licensed as a limited line credit insurance 1303  
agent or other type of limited lines insurance agent in the 1304  
person's home state a nonresident limited lines insurance agent 1305  
license in accordance with division (A) of section 3905.07 of the 1306  
Revised Code, with the same scope of authority as the person has 1307  
under the license issued by the person's home state. However, the 1308  
recognition of a limited lines authority under this section shall 1309  
not create any new line of authority. 1310

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

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

**Sec. 3905.09.** (A) The superintendent of insurance may issue a 1334  
temporary insurance agent license to any of the following persons 1335  
if the superintendent determines that the license is necessary for 1336  
the servicing of insurance business: 1337

(1) The surviving spouse or court-appointed personal 1338  
representative of a licensed insurance agent who dies or becomes 1339

mentally or physically disabled, to allow adequate time for the 1340  
sale of the insurance business owned by the agent or for the 1341  
recovery or return of the agent to the business, or to provide for 1342  
the training and licensing of new personnel to operate the agent's 1343  
business; 1344

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

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

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

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

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

(D) A temporary licensee shall be sponsored by a licensed 1364  
insurance agent or insurer, which sponsor shall be responsible for 1365  
all acts of the licensee. The superintendent may impose any other 1366  
requirement on temporary licensees that the superintendent 1367  
considers necessary to protect insureds and the public. 1368

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

this section.

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

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

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

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

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

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

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

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

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

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

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

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

~~(B) If the solicitor within the preceding two years has not 1427  
been licensed in this state as an insurance agent for other than 1428  
life insurance under section 3905.02 of the Revised Code, the 1429  
solicitor shall submit to an examination as to the qualifications 1430  
set forth in divisions (A)(1) to (5) of this section. 1431~~

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

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

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

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

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

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



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

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

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

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

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

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

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

(5) "Suspension" means the termination of all authority to 1487  
hold any license as an agent in this state, for either a specified 1488  
period of time or an indefinite period of time and under any terms 1489  
or conditions determined by the superintendent. 1490

(B) The superintendent may suspend, revoke, or refuse to 1491

issue or renew any license ~~as of~~ an insurance agent, ~~surety bail~~ 1492  
~~bond agent, surplus line broker, or limited insurance~~ 1493  
~~representative~~ assess a civil penalty, or impose any other 1494  
sanction or sanctions authorized under this chapter, for one or 1495  
more of the following reasons: 1496

(1) ~~Obtaining or attempting to obtain any license or~~ 1497  
~~appointment through misrepresentation~~ Providing incorrect, 1498  
misleading, incomplete, or fraud, including making any materially 1499  
untrue statement information in an ~~application for~~ a license or 1500  
appointment application; 1501

(2) Violating or failing to comply with any insurance law, 1502  
rule, subpoena, consent agreement, or order of the superintendent 1503  
or of the insurance authority of another state; 1504

(3) ~~Misappropriating~~ Obtaining or attempting to obtain a 1505  
license through misrepresentation or fraud; 1506

(4) Improperly withholding, misappropriating, or converting 1507  
~~to the person's own use any moneys belonging to policyholders,~~ 1508  
~~prospective policyholders, beneficiaries, insurance companies,~~ 1509  
~~sureties, principals, money or others~~ property received in the 1510  
course of the ~~person's~~ doing insurance business; 1511

~~(4) Failing to timely submit an application for insurance.~~ 1512  
~~For purposes of division (B)(4) of this section, a submission is~~ 1513  
~~considered timely if it occurs within the time period expressly~~ 1514  
~~provided for by the insurer, or within seven days after the agent~~ 1515  
~~accepts a premium or an order to bind from a policyholder or~~ 1516  
~~applicant, whichever is later.~~ 1517

(5) Knowingly Intentionally misrepresenting the terms, 1518  
benefits, value, cost, or effective dates of any actual or 1519  
proposed insurance ~~policy, contract, or bond~~ application for 1520  
insurance; 1521

(6) ~~Being~~ Having been convicted of a felony; 1522

- (7) ~~Being~~ Having been convicted of a misdemeanor that 1523  
involves the misuse or theft of money or property belonging to 1524  
another, fraud, forgery, dishonest acts, or breach of a fiduciary 1525  
duty, ~~or~~ that is based on any act or omission relating to the 1526  
business of insurance, securities, or financial services, or that 1527  
involves moral turpitude; 1528
- (8) ~~Committing an~~ Having admitted to committing, or having 1529  
been found to have committed, any insurance unfair trade act or 1530  
practice under ~~any section of Title XXXIX of the Revised Code or~~ 1531  
~~any rule adopted thereunder~~ insurance fraud; 1532
- (9) Using fraudulent, coercive, or dishonest practices, or 1533  
demonstrating incompetence, untrustworthiness, or financial 1534  
irresponsibility, in the conduct of business in this state or 1535  
elsewhere; 1536
- (10) Having an insurance agent license, or its equivalent, 1537  
denied, suspended, or revoked in any other state, province, 1538  
district, or territory; 1539
- ~~(10)~~(11) Forging or causing the forgery of ~~another's name to~~ 1540  
an application for insurance or any document related to or used in 1541  
an insurance transaction; 1542
- ~~(11)~~ ~~Possessing or~~ (12) Improperly using notes or any 1543  
unauthorized materials during a licensing or continuing education 1544  
examination or cheating on a licensing or continuing education 1545  
other reference material to complete an examination for an 1546  
insurance agent license; 1547
- ~~(12)~~(13) Knowingly accepting insurance business from an 1548  
individual who is not licensed; 1549
- (14) Failing to comply with any administrative or court order 1550  
directing payment of state income tax; 1551
- (15) Failing to timely submit an application for insurance. 1552

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

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

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

(14)(18) Causing or permitting a policyholder or applicant for insurance to designate the person insurance agent or the person's insurance agent's spouse, parent, child, or sibling as the beneficiary of a policy or annuity sold by the person insurance agent, unless the person insurance agent or a relative of the person insurance agent is the insured or applicant;

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

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

(17)(20) Transferring or placing insurance with an insurer other than the insurer expressly chosen by the applicant for

insurance or policyholder without the consent of the applicant or 1584  
policyholder or absent extenuating circumstances; 1585

~~(18) Engaging in any fraudulent, dishonest, or coercive 1586  
practice in connection with the business of insurance; 1587~~

~~(19)~~(21) Failing to inform a policyholder or applicant for 1588  
insurance of the identity of the insurer or insurers, or the 1589  
identity of any other insurance agent, ~~general agent, surplus line 1590  
broker,~~ or licensee known to be involved in procuring, placing, or 1591  
continuing the insurance for the policyholder or applicant, upon 1592  
the binding of the coverage; 1593

~~(20)~~(22) In the case of an agent that is a ~~corporation,~~ 1594  
~~limited liability company, or partnership~~ business entity, failing 1595  
to report an individual licensee's violation to the department 1596  
when the violation was known or should have been known by one or 1597  
more of the partners, officers, managers, or members of the 1598  
~~corporation, limited liability company, or partnership~~ business 1599  
entity; 1600

~~(21)~~(23) Submitting or using a document in the conduct of the 1601  
business of insurance when the person knew or should have known 1602  
that the document contained the forged signature of another 1603  
person; 1604

~~(22)~~(24) Misrepresenting the person's qualifications or using 1605  
in any way a professional designation that has not been conferred 1606  
upon the person by the appropriate accrediting organization; 1607  
1608

~~(23)~~(25) Obtaining a premium loan or causing a premium loan 1609  
to be made to or in the name of an insured without that person's 1610  
knowledge and written authorization; 1611

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

<del>3905.54 of the Revised Code;</del>	1615
<del>(25) Failing to file any of the reports or notices required under this chapter;</del>	1616
<del>(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.</del>	1617
<del>(27)(26) Using paper, software, or any other materials of or provided by an insurer after the insurer has terminated the authority of the licensee, if the use of such materials would cause a reasonable person to believe that the licensee was acting on behalf of or otherwise representing the insurer;</del>	1618
<del>(28) Providing misleading, deceptive, or untrue information to an applicant for insurance or a policyholder regarding a particular insurance agent, company, or product;</del>	1619
<del>(29)(27) Soliciting, procuring an application for, or placing, either directly or indirectly, any insurance policy when the person is not authorized under this chapter to engage in such activity;</del>	1620
<del>(30)(28) Soliciting, marketing, or selling any product or service that offers benefits similar to insurance but is not regulated by the superintendent, without fully disclosing to the prospective purchaser that the product or service is not insurance and is not regulated by the superintendent;</del>	1621
<del>(31)(29) Failing to fulfill a refund obligation to a policyholder or applicant in a timely manner. For purposes of division (B)(31)(29) of this section, a rebuttable presumption exists that a refund obligation is not fulfilled in a timely manner unless it is fulfilled within one of the following time periods:</del>	1622
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(a) Thirty days after the date the policyholder, applicant, 1646  
or insurer takes or requests action resulting in a refund; 1647

(b) Thirty days after the date of the insurer's refund check, 1648  
if the agent is expected to issue a portion of the total refund; 1649  
1650

(c) Forty-five days after the date of the agent's statement 1651  
of account on which the refund first appears. 1652

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

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

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

(32) In the case of an insurance agent that is a business 1667  
entity, using a life license for the principal purpose of 1668  
soliciting or placing insurance on the lives of the business 1669  
entity's officers, employees, or shareholders, or on the lives of 1670  
relatives of such officers, employees, or shareholders, or on the 1671  
lives of persons for whom they, their relatives, or the business 1672  
entity is agent, custodian, vendor, bailee, trustee, or payee; 1673

(33) Offering within this state, in person or by 1674  
advertisement, poster, letter, circular, or otherwise, to sell, 1675  
procure, or obtain policies, contracts, agreements, or 1676

applications for life insurance or annuities providing fixed, 1677  
variable, or fixed and variable benefits, or contractual payments, 1678  
or any form of sickness and accident insurance, for or on behalf 1679  
of any life insurance corporation, association, or organization, 1680  
or mutual protective or mutual benefit association or 1681  
organization, not authorized to transact business in this state, 1682  
or for or on behalf of any spurious, fictitious, nonexistent, 1683  
dissolved, inactive, liquidated or liquidating, or bankrupt life 1684  
insurance corporation, association, or organization, or mutual 1685  
protective or mutual benefit association or organization. 1686

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

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

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

(b) If the certified mail envelope is returned with an 1703  
endorsement showing that service was refused, or that the envelope 1704  
was unclaimed, the notice and all subsequent notices required by 1705  
Chapter 119. of the Revised Code may be served by ordinary mail to 1706  
the last known address of the licensee or applicant. The mailing 1707  
shall be evidenced by a certificate of mailing. Service is deemed 1708



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

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

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

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

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

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

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

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

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

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

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

(5) Refuse to issue a license; 1757

(6) Refuse to renew a license; 1758

(7) Prohibit the person from being employed in any capacity 1759  
in the business of insurance and from having any financial 1760  
interest in any insurance agency, company, surety bail bond 1761  
business, or third-party administrator in this state. The 1762  
superintendent may, in the superintendent's discretion, determine 1763  
the nature, conditions, and duration of such restrictions. 1764

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

and conditions of the corrective action order. 1770

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

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

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

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

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

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

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

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

(7) Whether the person voluntarily reported the violation, 1792  
and the extent of the person's cooperation and acceptance of 1793  
responsibility; 1794

(8) Whether the person obstructed or impeded, or attempted to 1795  
obstruct or impede, the superintendent's investigation; 1796

(9) The person's efforts to conceal the misconduct; 1797

(10) Remedial efforts to prevent future violations; 1798

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

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

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

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

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

The notice shall specify the particular act, omission, practice, or transaction that is subject to the cease-and-desist

order and shall set a date, not more than fifteen days after the 1830  
date of the order, for a hearing on the continuation or revocation 1831  
of the order. The person shall comply with the order immediately 1832  
upon receipt of notice of the order. 1833

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

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

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

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

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

(2) Injunctive relief; 1854

(3) Restitution; 1855

(4) Any other appropriate relief. 1856

(I) With respect to a surety bail bond agent license: 1857

(1) Upon the suspension or revocation of a license, or the 1858  
eligibility of a surety bail bond agent to hold a license, the 1859

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

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

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

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

**Sec. ~~3905.491~~ 3905.15.** (A) Upon written application of a  
person whose license was denied, suspended, revoked, or  
surrendered for cause under section ~~3905.49~~ 3905.14 of the Revised  
Code, the superintendent of insurance shall hold a hearing to  
determine whether the administrative action imposing ~~such the~~  
denial, suspension, revocation, or surrender should be modified,  
provided that all of the following conditions are met:

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

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

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

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

(1) At least five years have elapsed since the date of the administrative action;	1889 1890
(2) The person is of good business repute and is suitable to be an insurance agent;	1891 1892
(3) The person has made restitution for all pecuniary losses suffered by any person as a result of the conduct that gave rise to the administrative action;	1893 1894 1895
(4) The person has not been convicted of any felony or of any misdemeanor described in division (B)(7) of section <del>3905.49</del> <u>3905.14</u> of the Revised Code unless the conviction was the subject of a previous administrative action by the superintendent;	1896 1897 1898 1899
(5) The circumstances surrounding the previous violation are such that it is unlikely the person would commit such offenses in the future;	1900 1901 1902
(6) The person's character has been rehabilitated.	1903
(C) The issuance of any license pursuant to a modification under this section shall be conditioned upon the successful completion of all prelicensing education and examination requirements.	1904 1905 1906 1907
<b>Sec. <del>3905.012</del> <u>3905.16</u>.</b> (A)(1) Except as provided in division (A)(2) of this section, any person licensed as an agent under <del>section 3905.02 or 3905.18 of the Revised Code, or appointed as a solicitor under section 3905.03 of the Revised Code, this chapter</del> may at any time surrender any or all licenses held by the person.	1908 1909 1910 1911 1912 1913
(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	1914 1915 1916 1917 1918

surrender is invalid. 1919

~~(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.~~ 1920  
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~~(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.~~ 1926  
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~~(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. 1930  
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~~(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. 1936  
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(2) A person who has been granted inactive status is exempt from any continuing education requirements imposed under this chapter. 1945  
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(3) The superintendent may adopt rules in accordance with Chapter 119. of the Revised Code to establish procedures for 1948  
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applying for inactive status, criteria used to determine 1950  
eligibility for such status, and standards and procedures for 1951  
transferring from inactive to active status. 1952

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

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

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

(C) An insurer or insurance agent may pay or assign a 1972  
commission, service fee, brokerage fee, or other type of 1973  
consideration to an insurance agency or to any person who does not 1974  
sell, solicit, or negotiate insurance in this state, unless the 1975  
payment or assignment is prohibited by division (B)(7) of section 1976  
3901.211 or by section 3911.20, 3933.01, or 3999.22 of the Revised 1977  
Code. 1978

(D) No insurer or insurance agent shall pay a commission, 1979  
referral fee, or other compensation to an unlicensed person for 1980

any referral unless the compensation is a fixed dollar amount for 1981  
each referral and does not depend on whether the person referred 1982  
purchases an insurance product. 1983

Sec. 3905.181. A person shall not accept a commission, 1984  
service fee, brokerage fee, or other type of consideration for 1985  
selling, soliciting, or negotiating insurance in this state if 1986  
that person is required to be licensed under this chapter and is 1987  
not so licensed. 1988

Sec. ~~3905.181~~ 3905.182. No person licensed to sell life 1989  
insurance under ~~section 3905.18 of the Revised Code~~ this chapter, 1990  
although also licensed to sell securities under section 1707.32 of 1991  
the Revised Code, shall sell, or receive any compensation in 1992  
regard to the sale of, any shares of capital stock of any life 1993  
insurance company or agency for which ~~he~~ the person is licensed 1994  
appointed to sell life insurance, or of any issuer ~~which that~~ owns 1995  
or controls more than one fourth of the shares of any of such 1996  
companies, or any rights or options to acquire any of such shares. 1997  
This section does not prohibit the sale of shares of any 1998  
investment company registered under the "Investment Company Act of 1999  
1940," 54 Stat. 789, 15 U.S.C.A. 80a-1, as amended, or any 2000  
policies, annuities, or other contracts described in section 2001  
3907.15 of the Revised Code. 2002

Sec. 3905.20. (A) An insurance agent shall not act as an 2003  
agent of an insurer unless the insurance agent is appointed as an 2004  
agent of the insurer. An insurance agent who does not act as an 2005  
agent of an insurer shall not be required to be appointed as an 2006  
agent of the insurer. 2007

For purposes of this division, an insurance agent acts as an 2008  
agent of an insurer when the insurance agent sells, solicits, or 2009  
negotiates any product of the insurer and is compensated directly 2010

by the insurer.

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

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

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

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

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

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

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Sec. 3905.201. (A) Each insurer that sells, solicits, or negotiates any form of limited line credit insurance shall provide

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a program of instruction to each insurance agent whose duties will 2041  
include selling, soliciting, or negotiating limited line credit 2042  
insurance. The program of instruction shall be provided to the 2043  
insurance agent prior to the agent's appointment by the insurer. 2044

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

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

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

(C)(1) An insurer, within fifteen days after notifying the 2066  
superintendent in accordance with division (A) or (B) of this 2067  
section, shall mail a copy of the notification to the insurance 2068  
agent at the agent's last known address. If the insurance agent 2069  
was terminated for any of the reasons set forth in division (B) of 2070  
section 3905.14 of the Revised Code, the notification shall be 2071

sent by certified mail, return receipt requested, postage prepaid, 2072  
or by overnight delivery using a nationally recognized carrier. 2073

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

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

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

(2) Any statement of an insurer that has terminated an 2097  
insurance agent to an insurer or agent, or any statement of an 2098  
insurance agent to an insurer or agent, which statement is limited 2099  
solely to whether a termination for any of the reasons set forth 2100  
in division (B) of section 3905.14 of the Revised Code was 2101  
reported to the superintendent, provided the propriety of any such 2102  
termination is certified in writing by an officer or authorized 2103

representative of the insurer or agent terminating the relationship. 2104  
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(B) In any action brought against a person that may have immunity under division (A) of this section for making any statement required by section 3905.21 of the Revised Code or providing any information relating to any such statement, which information may have been requested in writing by the superintendent, the party bringing the action shall plead specifically in any allegation that division (A) of this section does not apply because the person making the statement or providing the information did so with malice. 2106  
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(C) Nothing in this section shall abrogate or modify any statutory or common law privilege or immunity that otherwise applies. 2115  
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Sec. 3905.212. The superintendent of insurance may, in accordance with Chapter 119. of the Revised Code, suspend or revoke the certificate of authority or license of any person that fails to comply with section 3905.21 of the Revised Code or that has been found by a court of competent jurisdiction to have made the statements or provided the information required under that section with actual malice. Any such person is also subject to the civil penalty authorized under section 3905.14 of the Revised Code. 2118  
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Sec. 3905.22. (A) An insurance agent shall provide notice to the superintendent of insurance of any administrative action taken against the agent in another jurisdiction or by another governmental agency having professional, occupational, or financial licensing authority within thirty days after the final disposition of the matter. The notice shall include a copy of the order, consent to order, or any other relevant legal document. 2127  
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(B) An insurance agent shall provide notice to the 2134

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

**Sec. ~~3905.492~~ 3905.24.** (A)(1) All records and other 2144  
information obtained by the superintendent of insurance or the 2145  
superintendent's deputies, examiners, assistants, or other 2146  
employees, or agents relating to an investigation of an applicant 2147  
for licensure under this chapter, or of an agent, solicitor, 2148  
broker, or other person licensed or appointed under this chapter 2149  
or Chapter 3951., 3957., or 3959. of the Revised Code, are 2150  
confidential and are not public records as defined in section 2151  
149.43 of the Revised Code until the applicant ~~or~~, licensee, or 2152  
appointee is provided notice and opportunity for hearing pursuant 2153  
to Chapter 119. of the Revised Code with respect to such records 2154  
or information. If no administrative action is initiated with 2155  
respect to a particular matter about which the superintendent 2156  
obtained records or other information as part of an investigation, 2157  
all such records and information relating to that matter shall 2158  
remain confidential for three years after the file on the matter 2159  
is closed. 2160

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

(B) The records and other information described in division 2164  
(A) of this section shall remain confidential for all purposes 2165  
except when it is appropriate for the superintendent and the 2166

superintendent's deputies, examiners, assistants, or other 2167  
employees, or agents to take official action regarding the affairs 2168  
of the applicant ~~or~~, licensee, or appointee or in connection with 2169  
actual or potential criminal proceedings. 2170

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

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

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

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

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

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**Sec. 3905.06 3905.29.** Sections 3905.01 to ~~3905.06~~ 3905.28 of 2195



the Revised Code do not apply to associations organized and 2196  
operating under sections 3939.01 to 3939.09 of the Revised Code. 2197

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

**Sec. 3905.31.** No person not licensed under section 3905.30 of 2213  
the Revised Code shall take or receive any application for such 2214  
insurance upon property or persons in this state, or receive or 2215  
collect a premium or any part thereof for any unauthorized 2216  
insurance company, or attempt or assist in any such act, or 2217  
perform any act in this state concerning any policy or contract of 2218  
insurance of any unauthorized insurance company provided that any 2219  
duly licensed ~~full multiple line~~ property and casualty agent may 2220  
place business with an agent licensed under section 3905.30 of the 2221  
Revised Code and may accept compensation therefor, if such 2222  
insurance is written in conformity with the insurance laws of this 2223  
state. This section does not apply to those engaged in the act of 2224  
adjusting claims or losses in connection with any policy of 2225  
insurance written under the provisions of sections 3905.30 to 2226

3905.35, ~~inclusive,~~ of the Revised Code. 2227

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

**Sec. 3905.36.** Every insured association, company, 2241  
corporation, or other person that enters, directly or indirectly, 2242  
into any agreements with any insurance company, association, 2243  
individual, firm, underwriter, or Lloyd, not authorized to do 2244  
business in this state, whereby the insured shall procure, 2245  
continue, or renew contracts of insurance covering subjects of 2246  
insurance resident, located, or to be performed within this state, 2247  
with such unauthorized insurance company, association, individual, 2248  
firm, underwriter, or Lloyd, for which insurance there is a gross 2249  
premium, membership fee, assessment, dues, or other consideration 2250  
charged or collected, shall annually, on or before the ~~first~~ 2251  
thirty-first day of ~~July~~ January, return to the superintendent of 2252  
insurance a statement under oath showing the name and address of 2253  
the insured, name and address of the insurer, subject of the 2254  
insurance, general description of the coverage, and amount of 2255  
gross premium, fee, assessment, dues, or other consideration for 2256  
such insurance for the preceding twelve-month period and shall at 2257

the same time pay to the treasurer of state a tax of five per cent 2258  
of such gross premium, fee, assessment, dues, or other 2259  
consideration, after a deduction for return premium, if any, as 2260  
calculated on a form prescribed by the treasurer of state. All 2261  
taxes collected under this section by the treasurer of state shall 2262  
be paid into the general revenue fund. If the tax is not paid when 2263  
due, the tax shall be increased by a penalty of twenty-five per 2264  
cent. An interest charge computed as set forth in section 5725.221 2265  
of the Revised Code shall be made on the entire sum of the tax 2266  
plus penalty, which interest shall be computed from the date the 2267  
tax is due until it is paid. For purposes of this section, payment 2268  
is considered made when it is received by the treasurer of state, 2269  
irrespective of any United States postal service marking or other 2270  
stamp or mark indicating the date on which the payment may have 2271  
been mailed. This section does not apply to: 2272

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

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

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

(D) Any insurance company underwriter issuing contracts of 2283  
insurance to employer insureds or contracts of insurance issued to 2284  
an employer insured. For purposes of this section an "employer 2285  
insured" is an insured: 2286

(1) Who procures the insurance of any risk or risks by use of 2287  
the services of a full-time employee acting as an insurance 2288  
manager or buyer or the services of a regularly and continuously 2289

qualified insurance consultant. As used in division (D)(1) of this 2290  
section, a "regularly and continuously qualified insurance 2291  
consultant" does not include any person licensed under Chapter 2292  
3905. of the Revised Code. 2293

(2) Whose aggregate annual premiums for insurance on all 2294  
risks total at least twenty-five thousand dollars; and 2295

(3) Who has at least twenty-five full-time employees. 2296

Each person licensed under section 3905.30 of the Revised 2297  
Code shall pay to the treasurer of state, on or before the 2298  
thirty-first day of January of each year, five per cent of the 2299  
balance of the gross premiums charged for insurance placed or 2300  
procured under the license after a deduction for return premiums, 2301  
as reported on a form prescribed by the treasurer of state. The 2302  
tax shall be collected from the insured by the surplus line broker 2303  
who placed or procured the policy of insurance at the time the 2304  
policy is delivered to the insured. No license issued under 2305  
section 3905.30 of the Revised Code shall be renewed until payment 2306  
is made. If the tax is not paid when due, the tax shall be 2307  
increased by a penalty of twenty-five per cent. An interest charge 2308  
computed as set forth in section 5725.221 of the Revised Code 2309  
shall be made on the entire sum of the tax plus penalty, which 2310  
interest shall be computed from the date the tax is due until it 2311  
is paid. For purposes of this section, payment is considered made 2312  
when it is received by the treasurer of state, irrespective of any 2313  
United States postal service marking or other stamp or mark 2314  
indicating the date on which the payment may have been mailed. 2315

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

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

(1) For filing a copy of its charter or deed of settlement,	2321
two hundred fifty dollars;	2322
(2) For filing each statement, twenty-five dollars;	2323
(3) For each certificate of authority or license, and	2324
certified copy thereof, five dollars;	2325
(4) For each copy of a paper filed in <del>his</del> <u>the</u>	2326
<u>superintendent's</u> office, twenty cents per page;	2327
(5) For issuing certificates of deposits or certified copies	2328
thereof, five dollars for the first certificate or copy and one	2329
dollar for each additional certificate or copy;	2330
(6) For issuing certificates of compliance or certified	2331
copies thereof, twenty dollars;	2332
(7) For affixing the seal of office and certifying documents,	2333
other than those enumerated herein, two dollars.	2334
(B) Each life insurance company doing business in this state	2335
shall pay for annual valuation of its policies, one cent on every	2336
one thousand dollars of insurance.	2337
(C) Each foreign insurance company doing business in this	2338
state shall pay for making and forwarding annually, semiannually,	2339
and quarterly the interest checks and coupons accruing upon bonds	2340
and securities deposited, fifty dollars each year on each one	2341
hundred thousand dollars deposited.	2342
(D) Each <del>appointee</del> or applicant for licensure as an insurance	2343
agent, <del>solicitor, or life insurance agent</del> shall pay ten dollars	2344
before admission to any examination required by the superintendent	2345
<del>of insurance</del> . Such fee shall not be paid by the appointing	2346
insurance company <del>or agent</del> .	2347
(E) Each domestic mutual life insurance company shall pay for	2348
verifying that any amendment to its articles of incorporation was	2349
regularly adopted, two hundred fifty dollars with each application	2350

for verification. Any such amendment shall be considered to have  
been regularly adopted when approved by the affirmative vote of  
two-thirds of the policyholders present in person or by proxy at  
any annual meeting of policyholders or at a special meeting of  
policyholders called for that purpose.

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

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

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

The failure of any insurance company within that time to pay  
the amount of such fees in accordance with the monthly statement,  
or, if the statement or account is found to be incorrect, in  
accordance with a corrected monthly statement rendered by the  
superintendent, is grounds for the revocation of its certificate  
of authority to do business in this state. In the event of such an

order of revocation, the superintendent shall ~~forthwith~~ 2381  
immediately cause a notice thereof to be published once in at 2382  
least one newspaper at the seat of the government and also, if a 2383  
domestic company, once in at least one newspaper published in the 2384  
county where its home office is located, or, if a foreign or alien 2385  
company, once in at least one newspaper published in a county of 2386  
this state where an agency of the company is located. After the 2387  
publication of the notice, no agent of the company shall procure 2388  
applications for insurance or issue policies. 2389

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

**Sec. 3905.482.** (A) The superintendent of insurance shall 2396  
suspend the agent's license of any person who fails to meet the 2397  
requirements of section 3905.481 of the Revised Code and has not 2398  
been granted under division (B) of this section an extension of 2399  
time within which to complete the requirements. The suspension 2400  
shall become effective upon sixty days' written notice to the 2401  
person. The notice shall be sent by ordinary mail to the person's 2402  
residential address on the licensing records of the department of 2403  
insurance. During this sixty-day period, the person may provide 2404  
proof of compliance with the requirements of section 3905.481 of 2405  
the Revised Code. If the person fails to demonstrate such 2406  
compliance in a manner and form acceptable to the superintendent, 2407  
the superintendent shall suspend the person's license. The 2408  
suspension shall continue until the person demonstrates to the 2409  
satisfaction of the superintendent that the person has complied 2410  
with the requirements of section 3905.481 of the Revised Code and 2411  
all other provisions of this chapter. However, the superintendent 2412

~~shall~~ may revoke the license if the person fails to demonstrate 2413  
such compliance within ~~six months~~ one year after the conclusion of 2414  
the immediately preceding twenty-four-month compliance period and 2415  
has not been granted under division (B) of this section an 2416  
extension of time within which to complete the requirements. ~~Any~~ 2417  
~~person whose license has been revoked under this division and who~~ 2418  
~~desires to hold a license as an agent under this chapter shall~~ 2419  
~~apply for a new agent's license in accordance with the~~ 2420  
~~requirements of this chapter.~~ 2421

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

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

(D) The superintendent may adopt rules in accordance with 2438  
Chapter 119. of the Revised Code relative to the manner and form 2439  
of demonstrating compliance with the requirements of section 2440  
3905.481 of the Revised Code that are acceptable to the 2441  
superintendent for purposes of this section. 2442

**Sec. 3905.483.** (A) There is hereby created the insurance 2443



agent education advisory council to advise the superintendent of 2444  
insurance in carrying out the duties imposed under sections 2445  
~~3905.48~~ 3905.04 and 3905.481 to 3905.486 of the Revised Code. 2446

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

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

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

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

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

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

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

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

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

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

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

(C)(1) Of the initial eleven appointments made by the 2469  
superintendent, three shall be for terms ending December 31, 1994, 2470  
four shall be for terms ending December 31, 1995, and four shall 2471  
be for terms ending December 31, 1996. Thereafter, terms of office 2472

shall be for three years, each term ending on the thirty-first day 2473  
of December of the third year. 2474

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

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

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

(F) Any member is eligible for reappointment. The 2496  
superintendent, after notice and opportunity for a hearing, may 2497  
remove for cause any member the superintendent appoints. 2498

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

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

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

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

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

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

(2) An accredited college or university; 2521

(3) An insurance trade association; 2522

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

(5) Any institution as defined in section 1713.01 of the 2525  
Revised Code that holds a certificate of authorization issued by 2526  
the Ohio board of regents under Chapter 1713. of the Revised Code 2527  
or is exempt under that chapter from the requirements for a 2528  
certificate of authorization. 2529

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

course or program.

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

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

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

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

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

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(3) This section does not apply to an agent whose license has

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been suspended or revoked by the superintendent of insurance, an agent who has demonstrated gross incompetence, or an agent whose contract has been terminated for insolvency, abandonment, gross or willful misconduct, or failure to pay to the insurer, in accordance with the agency contract, moneys due to the insurer upon written demand of the insurer.

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

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

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

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

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

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

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

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

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

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

(C) of this section applies. The superintendent shall, within thirty days following such hearing, issue an order approving or disapproving the action of the insurer. All final orders and decisions of the superintendent are subject to judicial review as provided in Chapter 119. of the Revised Code.

(G) An insurer shall not cancel or nonrenew any policy of insurance written through an agent upon the sole ground of the termination of the agency until the expiration of the policy term or the twelve-month period following the effective date of the termination of the contract of agency, whichever is earlier.

However, during such period, an independent insurance agent may, 2624  
subject to the current underwriting rules, guidelines, commission 2625  
rates, and practices of the insurer, effect any necessary changes 2626  
or endorsements to outstanding policies of insurance that are in 2627  
force prior to the date of termination. 2628

This section does not abridge, restrict, or supersede the 2629  
rights of an agent to the ownership of expirations provided for in 2630  
any contract with an insurer. 2631

(H) Any information or documentation provided to an agent or 2632  
the superintendent by an insurer under this section is 2633  
confidential and shall be used by the superintendent only in the 2634  
exercise of the proper functions authorized by this section. No 2635  
insurer is liable for furnishing information or documentation in 2636  
compliance with this section if the insurer acts without malice 2637  
and in the reasonable belief that such information or 2638  
documentation is warranted by this section. 2639

**Sec. 3905.72.** (A)(1) No person shall act as a managing 2640  
general agent representing an insurer licensed in this state with 2641  
respect to risks located in this state unless the person is 2642  
licensed as a managing general agent pursuant to division (C) or 2643  
(D) of this section. 2644

(2) No person shall act as a managing general agent 2645  
representing an insurer organized under the laws of this state 2646  
with respect to risks located outside this state unless the person 2647  
is licensed as a managing general agent pursuant to division (C) 2648  
of this section. 2649

(B) Every person that seeks to act as a managing general 2650  
agent as described in division (A) of this section shall apply to 2651  
the superintendent of insurance for a license. The Except as 2652  
otherwise provided in division (D) of this section, the 2653  
application shall be in writing on a form provided by the 2654

superintendent and shall be sworn or affirmed before a notary 2655  
public or other person empowered to administer oaths. The 2656  
application shall be kept on file by the superintendent and shall 2657  
include all of the following: 2658

(1) The name and principal business address of the applicant; 2659  
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(2) If the applicant is an individual, ~~his~~ the applicant's 2661  
current occupation; 2662

(3) If the applicant is an individual, ~~his~~ the applicant's 2663  
occupation or occupations during the five-year period prior to 2664  
applying for the license to act as a managing general agent; 2665

(4) A copy of the contract between the applicant and the 2666  
insurer as required by, and in compliance with, section 3905.73 of 2667  
the Revised Code; 2668

(5) A copy of a certified resolution of the board of 2669  
directors of the insurer on whose behalf the applicant will act, 2670  
appointing the applicant as a managing general agent and agent of 2671  
the insurer, specifying the duties the applicant is expected to 2672  
perform on behalf of the insurer and the lines of insurance the 2673  
applicant will manage, and authorizing the insurer to enter into a 2674  
contract with the applicant as required by section 3905.73 of the 2675  
Revised Code; 2676

(6) A statement that the applicant submits to the 2677  
jurisdiction of the superintendent and the courts of this state; 2678

(7) Any other information required by the superintendent. 2679

(C) The superintendent shall issue to a resident of this 2680  
state or ~~renew~~ a business entity organized under the laws of this 2681  
state a license to act as a managing general agent representing an 2682  
insurer licensed to do business in this state with respect to 2683  
risks located in this state or a license to act as a managing 2684  
general agent representing an insurer organized under the laws of 2685



this state with respect to risks located outside this state, and 2686  
shall renew such a license, if the superintendent is satisfied 2687  
that all of the following conditions are met: 2688

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

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

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

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

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

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

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

(D) If the applicant is a resident of another state or a 2707  
business entity organized under the laws of another state, the 2708  
applicant shall submit a request for licensure, along with a fee 2709  
of twenty dollars, to the superintendent. The superintendent shall 2710  
issue a license to act as a managing general agent if the request 2711  
for licensure includes proof that the applicant is licensed and in 2712  
good standing as a managing general agent in the applicant's home 2713  
state and either a copy of the application for licensure the 2714  
applicant submitted to the applicant's home state or the 2715  
application described in division (B) of this section. 2716

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

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

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

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

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

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

The applicant shall also request a criminal records check

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

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

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

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

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

(3) The applicant has successfully completed the educational 2771  
requirements set forth in section ~~3905.48~~ 3905.04 of the Revised 2772  
Code and passed the examination required by that section. 2773

(C) A surety bail bond agent license issued pursuant to this 2774  
section authorizes the holder, when appointed by an insurer, to 2775  
execute or countersign bail bonds in connection with judicial 2776  
proceedings and to receive money or other things of value for 2777

those services. However, the holder shall not execute or deliver a  
bond during the first one hundred eighty days after the license is  
initially issued. This restriction does not apply with respect to  
license renewals.

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

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

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

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

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

identification card that includes the licensee's photograph and 2809  
any other information required by the superintendent. The licensee 2810  
shall keep the wallet identification card on the licensee's person 2811  
while engaging in the bail bond business. 2812

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

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

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

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

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

**Sec. 3905.861.** An insurer that appoints a surety bail bond 2834  
agent who is a member of ~~an agency, partnership, corporation, or~~ 2835  
~~limited liability company~~ a business entity shall require that all 2836  
other surety bail bond agents who are members of the same ~~agency,~~ 2837  
~~partnership, corporation, or limited liability company~~ business 2838

entity be appointed to represent that insurer. 2839

**Sec. 3905.89.** Each person licensed under sections 3905.83 to 2840  
3905.95 of the Revised Code shall notify in writing the 2841  
appropriate insurer or managing general agent, and the clerk of 2842  
the court of common pleas of the county in which the licensee 2843  
resides, within thirty days after a change in the licensee's 2844  
principal business address or telephone number. 2845

This notification requirement is in addition to the 2846  
notification requirements set forth in ~~section 3905.54~~ other 2847  
provisions of ~~the Revised Code~~ this chapter. 2848

**Sec. 3905.94.** If the superintendent of insurance, in 2849  
accordance with section ~~3905.49~~ 3905.14 of the Revised Code, 2850  
suspends or revokes a person's license as a surety bail bond 2851  
agent, the person, during the period of suspension or revocation, 2852  
shall not be employed by any surety bail bond agent, have any 2853  
ownership interest in any business involving bail bonds, or have 2854  
any financial interest of any type in any bail bond business. 2855

**Sec. 3905.99.** (A) Whoever violates ~~sections 3905.181,~~ 2856  
~~3905.21, or 3905.23~~ section 3905.182 of the Revised Code shall be 2857  
fined not less than twenty-five nor more than five hundred dollars 2858  
or imprisoned not more than six months, or both. 2859

(B) Whoever violates section 3905.31 or 3905.33 of the 2860  
Revised Code shall be fined not less than twenty-five nor more 2861  
than five hundred dollars or imprisoned not more than one year, or 2862  
both. 2863

(C) Whoever violates section 3905.37 or 3905.43 of the 2864  
Revised Code shall be fined not less than one hundred nor more 2865  
than five hundred dollars. 2866

(D) Whoever violates section ~~3905.01~~ 3905.02, division (F) of 2867  
section 3905.92, or division (A) of section 3905.931 of the 2868  
Revised Code is guilty of a misdemeanor of the first degree. 2869

(E) Whoever violates section 3905.84 of the Revised Code is 2870  
guilty of a misdemeanor of the first degree on a first or second 2871  
offense and of a felony of the third degree on each subsequent 2872  
offense. 2873

**Sec. 3907.19.** The president or vice-president, and the 2874  
secretary or actuary, or a majority of the directors of each 2875  
insurance company organized under the laws of this state, annually 2876  
on the first day of January, or within sixty days thereafter, 2877  
shall prepare under oath and deposit in the office of the 2878  
superintendent of insurance, a statement showing the condition of 2879  
the company on the thirty-first day of the December next 2880  
preceding. The statement shall be submitted on the forms adopted 2881  
by the superintendent pursuant to section ~~3905.29~~ 3901.77 of the 2882  
Revised Code, and shall exhibit the following items: 2883

(A) The number of policies issued during the year; 2884

(B) The amount of insurance effected by such policies; 2885

(C) The amount of premiums received during the year; 2886

(D) The amount of interest and all other receipts, specifying 2887  
the items; 2888

(E) The amount paid to policyholders of the company for 2889  
losses during the year; 2890

(F) The amount of all other expenditures and disbursements of 2891  
the company, specifying such items as the superintendent calls 2892  
for; 2893

(G) The amount of losses unpaid; 2894

(H) The whole number of policies in force; 2895

(I) The amount insured by such policies;	2896
(J) The amount of reserve on all policies in force, calculated by the American Experience Table of Mortality, with interest at four per cent annually, or calculated by any other higher standard that the company has adopted, and the unearned premium on all personal accident and sickness insurance in force;	2897 2898 2899 2900 2901
(K) The amount of capital stock, specifying amount paid and unpaid;	2902 2903
(L) The amount of dividends unpaid and the amount of all other liabilities;	2904 2905
(M) A detailed statement of all the assets of the company, and the manner of their investment;	2906 2907
(N) An exhibit of the policy obligations of the company, which shall include:	2908 2909
(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;	2910 2911 2912 2913 2914
(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.	2915 2916 2917 2918 2919 2920 2921
An exhibit of the policy obligations of the company may be required more often than once a year.	2922 2923
<b>Sec. 3909.06.</b> Every life insurance company organized by act	2924



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

**Sec. 3911.011.** (A) No policy, annuity, or other contract 2931  
providing variable or fixed and variable benefits or contractual 2932  
payments shall be delivered or issued for delivery in this state 2933  
except by a life insurance company, organized under the laws of 2934  
this state, or a company, partnership, or association, organized 2935  
or incorporated, by an act of congress, or under the laws of this 2936  
or any other state of the United States, or any foreign 2937  
government, and transacting the business of life insurance in this 2938  
state. No such company, partnership or association shall deliver 2939  
or issue for delivery in this state any such policy, annuity, or 2940  
contract until the superintendent of insurance has determined that 2941  
its condition and methods of operation in connection with the 2942  
issuance of ~~such~~ the policies, annuities, and contracts will not 2943  
render its operation hazardous to the public or to the holders of 2944  
its policies, annuities, and other contracts in this state. In 2945  
making such determination, the superintendent shall consider the 2946  
history, reputation, and financial condition of ~~such~~ the company, 2947  
partnership, or association, and the character, responsibility, 2948  
and general fitness of its officers, directors, partners, or 2949  
associates. In making such determination with respect to a 2950  
company, partnership, or association not organized under the laws 2951  
of this state, the superintendent shall also consider whether the 2952  
laws and regulations of its domicile provide a degree of 2953  
protection to the public and the holders of its policies, 2954  
annuities, and other contracts substantially equal to that 2955  
provided by this section and any rules adopted by the 2956

superintendent pursuant to division (C) of this section. If any 2957  
such company is a subsidiary of, or affiliated through management 2958  
or ownership with, a life insurance company authorized to do 2959  
business in this state, the superintendent may consider the 2960  
requirements of this division to have been satisfied if either 2961  
such company or its parent or affiliated company meets such 2962  
requirements. 2963

(B) No policy, annuity, or other contract described in 2964  
division (A) of this section and no certificate, application, 2965  
endorsement, or rider to be used in connection with any such 2966  
policy, annuity, or other contract shall be delivered, or issued 2967  
for delivery, in this state until a copy thereof has been filed 2968  
with the superintendent. The superintendent shall, within thirty 2969  
days after the filing of any such form, disapprove the same ~~if he~~ 2970  
~~finds~~ upon finding that such form contains provisions ~~which that~~ 2971  
are unjust, unfair, inequitable, misleading, or deceptive, 2972  
encourage misrepresentation of the coverage, or are contrary to 2973  
the insurance laws of this state or any rule adopted by ~~him~~ the 2974  
superintendent pursuant to division (C) of this section. When the 2975  
superintendent notifies a company, partnership, or association 2976  
that a form has been disapproved, it shall be unlawful thereafter 2977  
for ~~such~~ the company, partnership, or association to issue or use 2978  
~~such~~ the form. In ~~such~~ the notice, the superintendent shall 2979  
specify the reason for ~~his~~ the disapproval and state that a 2980  
hearing will be granted in twenty days after request in writing. 2981  
No such policy, contract, certificate, application, endorsement, 2982  
or rider shall be issued or used until the expiration of thirty 2983  
days after it has been so filed, unless the superintendent gives 2984  
written approval thereto. The superintendent may, at any time 2985  
after a hearing held not less than twenty days after written 2986  
notice to the insurer, withdraw ~~his~~ the approval of any such form 2987  
on any ground set forth in this division. The written notice of 2988  
such hearing shall state the reason for the proposed withdrawal. 2989

The company, partnership, or association shall not issue ~~such the~~ 2990  
form or use it after the effective date of ~~such the~~ withdrawal. 2991  
Any order or formal determination of the superintendent under this 2992  
division shall be subject to judicial review as provided in 2993  
section 119.12 of the Revised Code. 2994

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

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

Chapter 1707. of the Revised Code does not apply to any 3017  
policy, annuity, or other contract providing fixed, variable, or 3018  
fixed and variable benefits or contractual payments, ~~which that is~~ 3019  
issued by any company, partnership, or association authorized to 3020  
transact the business of life insurance in this state. 3021

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

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

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

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

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

(C) The persons eligible for coverage under the policy shall 3043  
be all residents of this state who are sixty-five years of age or 3044  
older and their spouses, subject to reasonable underwriting 3045  
restrictions to be set forth in the plan of the association. The 3046  
policy may provide basic hospital and surgical coverage, basic 3047  
medical coverage, major medical coverage, and any combination of 3048  
these; provided that it shall not be required as a condition for 3049  
obtaining major medical coverage that any basic coverage be taken. 3050

(D) The association shall file with the superintendent of 3051

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

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

(F) The association shall file annually with the 3078  
superintendent on such date and in such form as the superintendent 3079  
may prescribe, a financial summary of its operations. 3080

(G) The association may sue and be sued in its associate name 3081  
and for such purposes only shall be treated as a domestic 3082  
corporation. Service of process against the association made upon 3083

a managing agent, any member thereof, or any agent authorized by  
appointment to receive service of process, shall have the same  
force and effect as if the service had been made upon all members  
of the association.

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

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

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

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

(C) The liabilities of the company, specifying:

(1) The amount of losses due and unpaid;

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

(3) The amount of losses incurred during the year, including

those claimed and not due, and those reported to the company upon	3114
which no action has been taken;	3115
(4) The amount of dividends declared, due, and unpaid;	3116
(5) The amount of dividends, either cash or scrip, declared	3117
but not due;	3118
(6) The amount of money borrowed and the security given for	3119
its payment;	3120
(7) The amount required for reinsurance, being a pro rata of	3121
all premiums, received and receivable, on unexpired risks and	3122
policies, provided that as to fire insurance business, a company	3123
may, at its option, maintain a sum equal to fifty per cent of the	3124
whole amount of premiums received and receivable on unexpired	3125
risks and policies running one year and less from the date of the	3126
policy. In the case of marine insurance, premiums on trip risks	3127
not terminated shall be deemed unearned, and the superintendent	3128
may require a reserve to be carried thereon equal to one hundred	3129
per cent of the premiums on trip risks written during the month	3130
ended as of the date of statement.	3131
(8) The amount of all other existing claims against the	3132
company;	3133
(9) A statement, approved by the superintendent, from a	3134
member of the American academy of actuaries certifying that the	3135
loss and loss adjustment reserves established for medical	3136
malpractice business, as reported in the statutory annual	3137
statement, are computed in accordance with accepted loss reserving	3138
standards and are fairly stated in accordance with sound loss	3139
reserving principles.	3140
(D) The income of the company during the preceding year,	3141
specifying:	3142
(1) The amount of cash premiums received;	3143

(2) The amount of notes or contingent assets received for premiums;	3144 3145
(3) The amount of interest money received;	3146
(4) The amount of income received from other sources.	3147
(E) The expenditure during the preceding year, specifying:	3148
(1) The amount of losses paid during the year, stating how much of them accrued prior, and how much accrued subsequent, to the date of the preceding statement, and the amount at which losses were estimated in each preceding statement;	3149 3150 3151 3152
(2) The amount of dividends paid during the year;	3153
(3) The amount of expenses paid during the year, including commissions and fees to agents and officers of the company;	3154 3155
(4) The amount paid for taxes;	3156
(5) The amount of all payments and expenditures;	3157
(6) The amount of scrip dividend declared.	3158
<b>Sec. 3931.101.</b> The provisions of <del>sections 3905.01 to 3905.04</del> <u>Chapter 3905.</u> of the Revised Code, relating to the appointment, licensing, qualification and regulation of insurance agents, brokers, and solicitors shall apply to all persons authorized to solicit powers of attorney or applications for contracts of indemnity for any reciprocal exchange, insurance exchange or attorney in fact as provided for in Chapter 3931. of the Revised Code, except a traveling full time salaried non-commission employee of an attorney whose duties as such employee are primarily the performance of inspection underwriting, loss prevention engineering and claim services shall be exempt from this section and shall be regulated solely by section 3931.11 of the Revised Code.	3159 3160 3161 3162 3163 3164 3165 3166 3167 3168 3169 3170 3171



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

If the superintendent finds that any such person has 3190  
willfully violated, or failed to comply with, sections 3931.01 to 3191  
3931.12 of the Revised Code, or has been convicted of a felony in 3192  
the United States, or in this or any state, or has been guilty of 3193  
any act or acts ~~which~~ that if performed by an agent licensed under 3194  
~~section 3905.02~~ Chapter 3905. of the Revised Code would constitute 3195  
statutory grounds for the revocation of ~~such~~ the agent's license, 3196  
the superintendent may refuse or revoke the authority of the 3197  
person and cancel the person's name on the superintendent's 3198  
records, and the superintendent shall thereupon notify the person 3199  
and the attorney of the revocation. Thereafter the person shall 3200  
not act as representative of any attorney until a new certificate 3201  
of authority by the attorney thereafter appointing the person is 3202  
filed with and approved by the superintendent. 3203

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

**Sec. 3933.04.** No person, firm, or corporation engaged in 3213  
selling real or personal property, ~~engaged in the business of~~ 3214  
~~financing the purchase of real or personal property, or engaged in~~ 3215  
~~the business of lending money on the security of real or personal~~ 3216  
~~property,~~ and no trustee, director, officer, agent, or other 3217  
employee of any such person, firm, or corporation, shall require, 3218  
as a condition precedent to the sale ~~or financing the purchase~~ of 3219  
such property, ~~to lending money upon the security of a mortgage~~ 3220  
~~thereon, or as a condition prerequisite for the renewal or~~ 3221  
~~extension of any such loan or mortgage or for the performance of~~ 3222  
~~any other act in connection therewith,~~ that the person, firm, or 3223  
corporation purchasing ~~such~~ the property, ~~for whom such purchase~~ 3224  
~~is to be financed, to whom the money is to be loaned, or for whom~~ 3225  
~~such extension, renewal, or other act is to be granted, or~~ 3226  
~~performed,~~ negotiate any policy of insurance or renewal thereof 3227  
covering ~~such~~ the property through a particular insurance company, 3228  
agent, solicitor, or broker. This section does not prevent the 3229  
exercise by any person, firm, or corporation of its right to 3230  
designate minimum standards as to the company, the terms and 3231  
provisions of the policy, and the adequacy of the coverage with 3232  
respect to insurance on property pledged or mortgaged to ~~such~~ the 3233  
person, firm, or corporation. 3234

The superintendent of insurance shall, in accordance with 3235

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

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

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

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

(B) A title insurance agent may engage in the business of 3254  
handling escrows of real property transactions directly connected 3255  
with the business of title insurance, provided that the agent 3256  
shall maintain a separate record of all receipts and disbursements 3257  
of escrow funds and shall not commingle any such funds with the 3258  
agent's own funds or with funds held by the agent in any other 3259  
capacity; and if at any time the superintendent of insurance 3260  
determines that an agent has failed to comply with any of the 3261  
provisions of this section, the superintendent may revoke the 3262  
license of the agent pursuant to section ~~3905.02~~ 3905.14 of the 3263  
Revised Code, subject to review as provided for in Chapter 119. of 3264  
the Revised Code. All agents shall be covered by a fidelity bond 3265  
in an amount and with a company satisfactory to the principal. 3266

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

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

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

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

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

(B) No home warranty company or person acting on behalf of 3284  
such a company under division (A) of this section shall pay to any 3285  
person who is acting as the agent, representative, attorney, or 3286  
employee of the owner or prospective owner of residential property 3287  
with respect to which a home service contract is to be issued, any 3288  
commission or any other consideration, either directly or 3289  
indirectly, as an inducement or compensation for the issuance, 3290  
purchase, or acquisition of a home service contract. A home 3291  
warranty company may reimburse such persons for expenses actually 3292  
incurred in the issuance, sale, advertising, or processing of home 3293  
service contracts or in performing an inspection of residential 3294  
property with respect to which a home service contract is issued. 3295  
No commission shall be paid to any person except a person 3296  
authorized to receive such a commission under this section. In the 3297

event a commission is paid, no rebates shall be permitted and the 3298  
prohibitions of section 3933.01 of the Revised Code apply. 3299

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

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

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

(2) A copy of its plan of operation or a feasibility study 3314  
and revisions of the plan or study submitted to the state in which 3315  
the risk retention group is chartered and licensed. Division 3316  
(A)(2) of this section does not apply to any line or 3317  
classification of liability insurance that was defined in the 3318  
federal "Product Liability Risk Retention Act of 1981," 95 Stat. 3319  
949, 15 U.S.C.A. 3901, as amended, before October 27, 1986, and 3320  
was offered before that date by any risk retention group that had 3321  
been chartered and operating for not less than three years before 3322  
that date. The risk retention group shall submit a copy of any 3323  
revision to its plan of operation or feasibility study required by 3324  
division (A)(2) of section 3960.02 of the Revised Code at the same 3325  
time that the revision is submitted to the ~~Commissioner~~ 3326  
commissioner of ~~Insurance~~ insurance of its chartering state. 3327

(3) A statement of registration, for which a filing fee shall 3328

be determined by the superintendent, that submits it to the 3329  
jurisdiction of the superintendent and the courts of this state. 3330  
The fee shall be paid into the state treasury to the credit of the 3331  
department of insurance operating fund pursuant to section 3332  
3901.021 of the Revised Code. 3333

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

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

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

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

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

(C)(1) Agents or brokers for the risk retention group shall 3352  
report to the superintendent the premiums for direct business for 3353  
risks resident or located within this state that they have placed 3354  
with or on behalf of a risk retention group not chartered in this 3355  
state. 3356

(2) The agent or broker shall keep a complete and separate 3357  
record of all policies procured from each risk retention group, 3358  
which record shall be open to examination by the superintendent. 3359

These records shall, for each policy and each kind of insurance	3360
provided, include the following:	3361
(a) The limit of liability;	3362
(b) The time period covered;	3363
(c) The effective date;	3364
(d) The name of the risk retention group that issued the	3365
policy;	3366
(e) The gross premium charged;	3367
(f) The amount of return premiums.	3368
(D) Every risk retention group that is not chartered in this	3369
state shall do both of the following:	3370
(1) On or before the <del>first</del> <u>thirty-first</u> day of <del>July</del> <u>January</u> ,	3371
pay to the treasurer of state five per cent of all premiums, fees,	3372
assessments, dues, or other consideration for the preceding	3373
one-year period for risks resident or located in this state, as	3374
calculated on a form prescribed by the treasurer of state. If such	3375
tax is not paid when due, the tax shall be increased by a penalty	3376
of twenty-five per cent. An interest charge computed as set forth	3377
in section 5725.221 of the Revised Code shall be made on the	3378
entire sum of the tax plus penalty, which interest shall be	3379
computed from the date the tax is due until it is paid. All taxes	3380
collected under this section shall be paid into the general	3381
revenue fund. For purposes of division (D)(1) of this section,	3382
payment is considered made when it is received by the treasurer of	3383
state, irrespective of any United States postal service marking or	3384
other stamp or mark indicating the date on which the payment may	3385
have been mailed.	3386
(2) <del>Within thirty days after</del> <u>On or before</u> the <del>end</del>	3387
<u>thirty-first day</u> of <del>each quarter</del> <u>January</u> , file a statement with	3388
the superintendent, on a form prescribed by the superintendent,	3389

showing the name and address of the insured, name and address of 3390  
the insurer, subject of the insurance, general description of the 3391  
coverage, the amount of gross premium, fee, assessment, dues, or 3392  
other consideration for the insurance, after a deduction for 3393  
return premium, if any, and any other information the 3394  
superintendent requires. 3395

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

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

**Sec. 3960.11.** (A) No person shall act or aid in any manner in 3417  
soliciting, negotiating, or procuring liability insurance in this 3418  
state from a risk retention group unless the person is licensed as 3419  
an insurance agent or broker in accordance with ~~section 3905.02 or~~ 3420  
~~3905.30~~ Chapter 3905. of the Revised Code. 3421



(B) No person shall act or aid in any manner in soliciting, 3422  
negotiating, or procuring liability insurance in this state for a 3423  
purchasing group from an authorized insurer or a risk retention 3424  
group chartered in a state unless the person is licensed as an 3425  
insurance agent or broker in accordance with ~~section 3905.02 or~~ 3426  
~~3905.30~~ Chapter 3905. of the Revised Code. 3427

(C) No person shall act or aid in any manner in soliciting, 3428  
negotiating, or procuring liability insurance coverage in this 3429  
state for any member of a purchasing group under a purchasing 3430  
group's policy unless the person is licensed as an insurance agent 3431  
or broker in accordance with ~~section 3905.02 or 3905.30~~ Chapter 3432  
3905. of the Revised Code. 3433

(D) No person shall act or aid in any manner in soliciting, 3434  
negotiating, or procuring liability insurance from an insurer not 3435  
authorized to do business in this state on behalf of a purchasing 3436  
group located in this state unless the person is licensed as a 3437  
surplus line broker in accordance with section 3905.30 of the 3438  
Revised Code. 3439

**Section 2.** That existing sections 1751.38, 3901.021, 3901.19, 3440  
3901.22, 3901.51, 3901.62, 3903.81, 3905.012, 3905.03, 3905.06, 3441  
3905.09, 3905.11, 3905.12, 3905.13, 3905.14, 3905.181, 3905.24, 3442  
3905.25, 3905.26, 3905.27, 3905.28, 3905.29, 3905.30, 3905.31, 3443  
3905.34, 3905.36, 3905.41, 3905.47, 3905.482, 3905.483, 3905.484, 3444  
3905.486, 3905.49, 3905.491, 3905.492, 3905.50, 3905.52, 3905.72, 3445  
3905.85, 3905.861, 3905.89, 3905.94, 3905.99, 3907.19, 3909.06, 3446  
3911.011, 3923.121, 3929.30, 3931.101, 3931.11, 3933.04, 3953.21, 3447  
3953.23, 3957.14, 3960.03, and 3960.11 and sections 3905.01, 3448  
3905.011, 3905.013, 3905.02, 3905.04, 3905.07, 3905.08, 3905.15, 3449  
3905.16, 3905.17, 3905.18, 3905.19, 3905.20, 3905.21, 3905.22, 3450  
3905.23, 3905.40, 3905.48, 3905.51, and 3905.54 of the Revised 3451  
Code are hereby repealed. 3452

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

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