

**As Reported by the Senate Insurance, Commerce and Labor  
Committee**

**126th General Assembly  
Regular Session  
2005-2006**

**Sub. H. B. No. 193**

**Representatives Daniels, G. Smith, Fessler, Combs, Wolpert, C. Evans,  
Martin, Gibbs, D. Evans, Setzer, Barrett, Perry, DeBose, Bocchieri, Hughes,  
Koziura, Brown, Chandler, Domenick, Reidelbach, Schlichter, Webster  
Senator Hottinger**

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**A B I L L**

To amend sections 9.90, 1751.12, 3917.01, 3917.06, 1  
and 3917.07, to enact new section 3917.03 and 2  
section 3917.02, and to repeal section 3917.03 of 3  
the Revised Code to permit the sale of group life 4  
insurance to specified groups and provide the 5  
Superintendent of Insurance with the discretion to 6  
authorize the sale of group life insurance to 7  
additional groups. 8

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

**Section 1.** That sections 9.90, 1751.12, 3917.01, 3917.06, and 9  
3917.07 be amended and new section 3917.03 and section 3917.02 of 10  
the Revised Code be enacted to read as follows: 11

**Sec. 9.90.** (A) The governing board of any public institution 12  
of higher education, including without limitation state 13  
universities and colleges, community college districts, university 14  
branch districts, technical college districts, and municipal 15  
universities, or the board of education of any school district, 16

may, in addition to all other powers provided in the Revised Code: 17

(1) Contract for, purchase, or otherwise procure from an 18  
insurer or insurers licensed to do business by the state of Ohio 19  
for or on behalf of such of its employees as it may determine, 20  
life insurance, or sickness, accident, annuity, endowment, health, 21  
medical, hospital, dental, or surgical coverage and benefits, or 22  
any combination thereof, by means of insurance plans or other 23  
types of coverage, family, group or otherwise, and may pay from 24  
funds under its control and available for such purpose all or any 25  
portion of the cost, premium, or charge for such insurance, 26  
coverage, or benefits. However, the governing board, in addition 27  
to or as an alternative to the authority otherwise granted by 28  
division (A)(1) of this section, may elect to procure coverage for 29  
health care services, for or on behalf of such of its employees as 30  
it may determine, by means of policies, contracts, certificates, 31  
or agreements issued by at least two health insuring corporations 32  
holding a certificate of authority under Chapter 1751. of the 33  
Revised Code and may pay from funds under the governing board's 34  
control and available for such purpose all or any portion of the 35  
cost of such coverage. 36

(2) Make payments to a custodial account for investment in 37  
regulated investment company stock for the purpose of providing 38  
retirement benefits as described in section 403(b)(7) of the 39  
Internal Revenue Code of 1954, as amended. Such stock shall be 40  
purchased only from persons authorized to sell such stock in this 41  
state. 42

Any income of an employee deferred under divisions (A)(1) and 43  
(2) of this section in a deferred compensation program eligible 44  
for favorable tax treatment under the Internal Revenue Code of 45  
1954, as amended, shall continue to be included as regular 46  
compensation for the purpose of computing the contributions to and 47  
benefits from the retirement system of such employee. Any sum so 48

deferred shall not be included in the computation of any federal 49  
and state income taxes withheld on behalf of any such employee. 50

(B) All or any portion of the cost, premium, or charge 51  
therefor may be paid in such other manner or combination of 52  
manners as the governing board or the school board may determine, 53  
including direct payment by the employee in cases under division 54  
(A)(1) of this section, and, if authorized in writing by the 55  
employee in cases under division (A)(1) or (2) of this section, by 56  
such governing board or school board with moneys made available by 57  
deduction from or reduction in salary or wages or by the foregoing 58  
of a salary or wage increase. ~~Division (B)(7) of~~ Nothing in 59  
~~section 3917.01 and the last paragraph of~~ or section 3917.06 of 60  
the Revised Code shall ~~not~~ prohibit the issuance or purchase of 61  
group life insurance authorized by this section by reason of 62  
payment of premiums therefor by the governing board or the school 63  
board from its funds, and such group life insurance may be so 64  
issued and purchased if otherwise consistent with the provisions 65  
of sections 3917.01 to 3917.07 of the Revised Code. 66

**Sec. 1751.12.** (A)(1) No contractual periodic prepayment and 67  
no premium rate for nongroup and conversion policies for health 68  
care services, or any amendment to them, may be used by any health 69  
insuring corporation at any time until the contractual periodic 70  
prepayment and premium rate, or amendment, have been filed with 71  
the superintendent of insurance, and shall not be effective until 72  
the expiration of sixty days after their filing unless the 73  
superintendent sooner gives approval. The filing shall be 74  
accompanied by an actuarial certification in the form prescribed 75  
by the superintendent. The superintendent shall disapprove the 76  
filing, if the superintendent determines within the sixty-day 77  
period that the contractual periodic prepayment or premium rate, 78  
or amendment, is not in accordance with sound actuarial principles 79

or is not reasonably related to the applicable coverage and 80  
characteristics of the applicable class of enrollees. The 81  
superintendent shall notify the health insuring corporation of the 82  
disapproval, and it shall thereafter be unlawful for the health 83  
insuring corporation to use the contractual periodic prepayment or 84  
premium rate, or amendment. 85

(2) No contractual periodic prepayment for group policies for 86  
health care services shall be used until the contractual periodic 87  
prepayment has been filed with the superintendent. The filing 88  
shall be accompanied by an actuarial certification in the form 89  
prescribed by the superintendent. The superintendent may reject a 90  
filing made under division (A)(2) of this section at any time, 91  
with at least thirty days' written notice to a health insuring 92  
corporation, if the contractual periodic prepayment is not in 93  
accordance with sound actuarial principles or is not reasonably 94  
related to the applicable coverage and characteristics of the 95  
applicable class of enrollees. 96

(3) At any time, the superintendent, upon at least thirty 97  
days' written notice to a health insuring corporation, may 98  
withdraw the approval given under division (A)(1) of this section, 99  
deemed or actual, of any contractual periodic prepayment or 100  
premium rate, or amendment, based on information that either of 101  
the following applies: 102

(a) The contractual periodic prepayment or premium rate, or 103  
amendment, is not in accordance with sound actuarial principles. 104

(b) The contractual periodic prepayment or premium rate, or 105  
amendment, is not reasonably related to the applicable coverage 106  
and characteristics of the applicable class of enrollees. 107

(4) Any disapproval under division (A)(1) of this section, 108  
any rejection of a filing made under division (A)(2) of this 109  
section, or any withdrawal of approval under division (A)(3) of 110

this section, shall be effected by a written notice, which shall  
state the specific basis for the disapproval, rejection, or  
withdrawal and shall be issued in accordance with Chapter 119. of  
the Revised Code.

(B) Notwithstanding division (A) of this section, a health  
insuring corporation may use a contractual periodic prepayment or  
premium rate for policies used for the coverage of beneficiaries  
enrolled in Title XVIII of the "Social Security Act," 49 Stat. 620  
(1935), 42 U.S.C.A. 301, as amended, pursuant to a medicare risk  
contract or medicare cost contract, or for policies used for the  
coverage of beneficiaries enrolled in the federal employees health  
benefits program pursuant to 5 U.S.C.A. 8905, or for policies used  
for the coverage of beneficiaries enrolled in Title XIX of the  
"Social Security Act," 49 Stat. 620 (1935), 42 U.S.C.A. 301, as  
amended, known as the medical assistance program or medicaid,  
provided by the department of job and family services under  
Chapter 5111. of the Revised Code, or for policies used for the  
coverage of beneficiaries under any other federal health care  
program regulated by a federal regulatory body, or for policies  
used for the coverage of beneficiaries under any contract covering  
officers or employees of the state that has been entered into by  
the department of administrative services, if both of the  
following apply:

(1) The contractual periodic prepayment or premium rate has  
been approved by the United States department of health and human  
services, the United States office of personnel management, the  
department of job and family services, or the department of  
administrative services.

(2) The contractual periodic prepayment or premium rate is  
filed with the superintendent prior to use and is accompanied by  
documentation of approval from the United States department of  
health and human services, the United States office of personnel

management, the department of job and family services, or the 143  
department of administrative services. 144

(C) The administrative expense portion of all contractual 145  
periodic prepayment or premium rate filings submitted to the 146  
superintendent for review must reflect the actual cost of 147  
administering the product. The superintendent may require that the 148  
administrative expense portion of the filings be itemized and 149  
supported. 150

(D)(1) Copayments must be reasonable and must not be a 151  
barrier to the necessary utilization of services by enrollees. 152

(2) A health insuring corporation, in order to ensure that 153  
copayments are reasonable and not a barrier to the necessary 154  
utilization of basic health care services by enrollees, may do one 155  
of the following: 156

(a) Impose copayment charges on any single covered basic 157  
health care service that does not exceed forty per cent of the 158  
average cost to the health insuring corporation of providing the 159  
service; 160

(b) Impose copayment charges that annually do not exceed 161  
twenty per cent of the total annual cost to the health insuring 162  
corporation of providing all covered basic health care services, 163  
including physician office visits, urgent care services, and 164  
emergency health services, when aggregated as to all persons 165  
covered under the filed product in question. In addition, annual 166  
copayment charges as to each enrollee shall not exceed twenty per 167  
cent of the total annual cost to the health insuring corporation 168  
of providing all covered basic health care services, including 169  
physician office visits, urgent care services, and emergency 170  
health services, as to such enrollee. The total annual cost of 171  
providing a health care service is the cost to the health insuring 172  
corporation of providing the health care service to its enrollees 173

as reduced by any applicable provider discount. 174

(3) To ensure that copayments are reasonable and not a 175  
barrier to the utilization of basic health care services, a health 176  
insuring corporation may not impose, in any contract year, on any 177  
subscriber or enrollee, copayments that exceed two hundred per 178  
cent of the average annual premium rate to subscribers or 179  
enrollees. 180

(4) For purposes of division (D) of this section, both of the 181  
following apply: 182

(a) Copayments imposed by health insuring corporations in 183  
connection with a high deductible health plan that is linked to a 184  
health savings account are reasonable and are not a barrier to the 185  
necessary utilization of services by enrollees. 186

(b) Divisions (D)(2) and (3) of this section do not apply to 187  
a high deductible health plan that is linked to a health savings 188  
account. 189

(E) A health insuring corporation shall not impose lifetime 190  
maximums on basic health care services. However, a health insuring 191  
corporation may establish a benefit limit for inpatient hospital 192  
services that are provided pursuant to a policy, contract, 193  
certificate, or agreement for supplemental health care services. 194

(F) A health insuring corporation may require that an 195  
enrollee pay an annual deductible that does not exceed one 196  
thousand dollars per enrollee or two thousand dollars per family- 197  
The, except that: 198

(1) A health insuring corporation may impose higher 199  
deductibles for high deductible health plans that are linked to 200  
health savings accounts; 201

(2) The superintendent may adopt rules defining allowing 202  
different annual deductible amounts for plans with an 203

~~employer sponsored a medical savings account, health reimbursement arrangement, or flexible spending account, or similar account.~~ 204  
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(G) As used in this section, "health savings account" and "high deductible health plan" have the same meanings as in the "Internal Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C. 223, as amended. 206  
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~~Sec. 3917.01. (A) Group life insurance is that form of life insurance covering not less than two employees with or without medical examination, written under a~~ 210  
As used in sections 3917.01 to 3917.06 of the Revised Code, the following forms of life insurance are group life insurance: 211  
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~~(A) A life insurance policy issued to the an employer, or to a trustee the trustees of a trust created fund established by such an employer, the premium on which is to be paid by the employer, by the employer and employees jointly, or by such trustee out of funds contributed by the employer or by the employer and employees jointly, and insuring only all of the employer's employees or all of any classes thereof, determined by sex, age, or conditions pertaining to the employment, for amounts of insurance based upon some plan which will preclude individual selection, which employer or trustees shall be deemed the policyholder, to insure employees of the employer for the benefit of persons other than the employer; but when the premium is to be paid by the employer and employee jointly and the benefits of the policy are offered to all eligible employees, not less than seventy five per cent of such employees may be so insured. Such group, subject to all of the following requirements:~~ 215  
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(1) All of the employees of the employer, or all of any class or classes of employees, are eligible for life insurance. The policy may provide that "employees" includes the employees of one or more subsidiary corporations and the employees, individual 231  
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~~proprietors, and partners of one or more affiliated corporations,  
proprietorships, or partnerships if the business of the employer  
and the affiliated corporations, proprietorships, or partnerships  
is under common control. The policy may provide that "employees"  
includes retired employees of the employer and the officers,  
managers, former employees, and retired employees of subsidiary or  
affiliated corporations and the individual proprietors, partners,  
employees, and retired employees of affiliated individuals and  
firms, when the business of such subsidiary or affiliated  
corporations, firms, or individuals is controlled by the common  
employer through stock ownership, contract, or otherwise. This  
section does not define as a group the lives covered by a policy  
issued on more than one life which provides for payments upon the  
death of any one or more or upon the death of each of the lives so  
insured, and upon which the premium rates charged are computed on  
the same basis as used by the issuing company on single life  
policies and upon its regular forms of insurance.~~

~~(B) As used in sections 3917.01 to 3917.06 of the Revised  
Code, the following forms of life insurance are group life  
insurance:~~

~~(1) Life insurance covering the members of one or more  
companies, batteries, troops, battalions, divisions, or other  
units of the national guard or naval militia of any state, written  
under a policy issued to the commanding general of the national  
guard or commanding officer of the naval militia, who is the  
employer for the purposes of such sections, the premium on which  
is to be paid by the members of such units for the benefit of  
persons other than the employer; provided that when the benefits  
of the policy are offered to all eligible members of a unit of the  
national guard or naval militia, not less than seventy five per  
cent of the members of such a unit may be insured;~~

~~(2) Life insurance covering the members of one or more troops~~

~~or other units of the state troopers or state police of any state,  
written under a policy issued to the commanding officer of the  
state troopers or state police who is the employer for the  
purposes of such sections, the premium on which is to be paid by  
the members of such units for the benefit of persons other than  
the employer; provided that when the benefits of the policy are  
offered to all eligible members of a unit of the state troopers or  
state police, not less than seventy five per cent of the members  
of such a unit may be insured;~~

~~(3) Life insurance covering the members of any labor union,  
written under a policy issued to such union which is the employer  
for the purposes of such sections, the premium on which is to be  
paid by the union or by the union and its members jointly, and  
insuring only all of its members, who are actively engaged in the  
same occupation, for amounts of insurance based upon some plan  
which will preclude individual selection, for the benefit of  
persons other than the union or its officials; provided that in  
case the insurance policy is cancellable at the end of any policy  
year at the option of the insurance company and that the basis of  
premium rates may be changed by the insurance company at the  
beginning of any policy year, all members of a labor union may be  
insured; and provided that when the premium is to be paid by the  
union and its members jointly and the benefits are offered to all  
eligible members, not less than seventy five per cent of such  
members may be insured; and provided that when members apply and  
pay for additional amounts of insurance, a smaller percentage of  
members may be insured for such additional amounts if they pass  
satisfactory medical examinations or submit satisfactory evidence  
of insurability;~~

~~(4) Life insurance written under a directors of a corporate  
employer. A policy issued to insure the employees of a public body  
may provide that "employees" includes elected or appointed~~

officials. 299

(2) The premium for the policy shall be paid either from the 300  
employer's funds or from funds contributed by the insured 301  
employees, or from both. Except as provided in division (A)(3) of 302  
this section, a policy for which no part of the premium is derived 303  
from funds contributed by the insured employees shall insure all 304  
eligible employees, except those employees who reject the coverage 305  
in writing. 306

(3) An insurer may exclude or limit the coverage on any 307  
employee as to whom evidence of individual insurability is not 308  
satisfactory to the insurer. 309

(4) A policy issued pursuant to section 3911.091 of the 310  
Revised Code is not subject to the requirements of this division. 311

(B) A life insurance policy issued to a creditor, ~~who~~ or its 312  
parent holding company or to a trustee or trustees or agent 313  
designated by two or more creditors, which creditor, holding 314  
company, affiliate, trustee, trustees, or agent shall be deemed 315  
the policyholder, to insure debtors of the creditor or creditors, 316  
subject to the following requirements: 317

~~(a)(1)~~ The debtors eligible for insurance under the policy 318  
shall be all of the debtors of the creditor, ~~excepting that no~~ 319  
debtor is eligible unless the indebtedness constitutes an 320  
obligation to repay that is binding upon the debtor during the 321  
debtor's lifetime at and from the date the insurance becomes 322  
effective upon the debtor's life or creditors, or all of any class 323  
or classes of the debtors. The policy may provide that "debtors" 324  
includes ~~the~~ all of the following: 325

(a) Borrowers of money or purchasers or lessees of goods, 326  
services, or property for which payment is arranged through a 327  
credit transaction; 328

(b) The debtors of one or more subsidiary corporations ~~and~~ 329

~~the;~~ 330

(c) The debtors of one or more affiliated corporations, 331  
~~proprietors proprietorships,~~ or partnerships if the business of 332  
the policyholder and of ~~such the~~ affiliated corporations, 333  
~~proprietors proprietorships,~~ or partnerships is under common 334  
control ~~through stock ownership, contract, or otherwise.~~ 335

~~(b)(2) The premium for the policy shall be paid by the~~ 336  
~~policyholder,~~ either from the creditor's funds, or from charges 337  
collected from the insured debtors, or from both. ~~A policy on~~ 338  
~~which part or all of the premium is to be derived from the~~ 339  
~~collection from the insured debtors of identifiable charges not~~ 340  
~~required of uninsured debtors shall not include debtors under~~ 341  
~~obligations outstanding at its date of issue without evidence of~~ 342  
~~individual insurability unless at least seventy five per cent of~~ 343  
~~the then eligible debtors elect to pay the required charges. A~~ 344  
Except as provided in division (B)(3) of this section, a policy on 345  
which no part of the premium is ~~to be~~ derived from the ~~collection~~ 346  
~~of such identifiable charges must~~ funds contributed by insured 347  
debtors specifically for the debtors' insurance shall insure all 348  
~~eligible debtors, or all except any.~~ 349

(3) An insurer may exclude any debtor as to whom evidence of 350  
individual insurability is not satisfactory to the insurer. 351

~~(c) The policy may be issued only if the group of eligible~~ 352  
~~debtors is then receiving new entrants at the rate of at least one~~ 353  
~~hundred persons yearly, or may reasonably be expected to receive~~ 354  
~~at least one hundred new entrants during the first policy year,~~ 355  
~~and continues to receive not less than one hundred new entrants to~~ 356  
~~the group yearly, and only if the policy reserves to the insurer~~ 357  
~~the right to require evidence of individual insurability if less~~ 358  
~~than seventy five per cent of the new entrants become insured. The~~ 359  
~~policy may exclude from the classes eligible for insurance classes~~ 360  
~~of debtors determined by age.~~ 361

~~(d) The amount of insurance on the life of any debtor may be determined by the age of the debtor based upon a plan which will preclude individual selection and shall at no time exceed the amount owed by the debtor that is repayable in installments to the creditor.~~

~~(e) The insurance shall be payable to the policyholder. Such payment shall reduce or extinguish the unpaid indebtedness of the debtor to the extent of such payment.~~

~~(5) Life insurance covering the members of any duly organized corporation or association of veterans or veteran society or association of the World War veterans, written under a policy issued to such corporation, association, or society which is the employer for the purpose of such sections, the premium on which is to be paid by the corporation, association, society, and its members jointly, and insuring all of its members who are actively engaged in any occupation for amounts of insurance based upon some plan which will preclude individual selection for the benefit of persons other than the corporation, association, or society or its officials; provided that when the premium is to be paid by the corporation, association, or society and its members jointly and the benefits are offered to all eligible members, not less than seventy five per cent of such members may be insured; and provided that when members apply and pay for additional amounts of insurance, a smaller percentage of members may be insured for such additional amounts if they pass satisfactory medical examinations or submit satisfactory evidence of insurability;~~

~~(6) Life insurance covering the members of any organization of agriculturists or horticulturists organized under the co-operative laws of this state, written under a policy issued to such co-operative association which is the employer for the purpose of such sections, the premium on which is to be paid by the association or by the association and its members jointly, and~~

~~insuring all of its members who are actively engaged in  
agricultural or horticultural pursuits, for an amount of insurance  
based upon some plan which will preclude individual selection, and  
for the benefit of persons other than the association or its  
officials; provided that when the premium is to be paid by the  
corporation, association, or society and its members jointly and  
the benefits are offered to all eligible members, not less than  
seventy five per cent of such members may be insured; provided  
that when members apply and pay for additional amounts of  
insurance, a smaller percentage of members may be insured for such  
additional amounts if they pass satisfactory medical examinations  
or submit satisfactory evidence of insurability;~~

~~(7) Life insurance covering employees of a political  
subdivision or district of this state, or of an educational or  
other institution supported in whole or in part by public funds,  
or of any classes thereof, determined by conditions pertaining to  
employment, or of this state or any department or division  
thereof, written under a policy issued to such political  
subdivision, district, or institution, or the proper official or  
board of this state or of such state department or division  
thereof, which is the employer for the purpose of such sections,  
the premium on which is to be paid by such employees, unless  
otherwise provided by law, charter, or ordinance, for the benefit  
of persons other than the employer; provided that when the  
benefits of the policy are offered to all eligible employees of a  
political subdivision or district of the state or of an  
educational or other institution supported in whole, or in part by  
public funds, or of this state or a state department or division  
thereof, not less than seventy five per cent of such employees may  
be insured; and provided that when employees apply and pay for  
additional amounts of insurance, a smaller percentage of employees  
may be insured for such additional amounts if they pass~~

~~satisfactory medical examinations or submit satisfactory evidence of insurability; and provided that upon acquisition by a political subdivision of any privately owned property or enterprise, the employees of which have been covered by a group policy of life or other insurance as employees of such private employer, such political subdivision and insurance company may continue such contract in force upon similar conditions as the last preceding private employer;~~

~~(8) Life insurance covering the members, or the members and the employees of members of any duly organized association, other than an association subject to any other provision of this division, written under a policy issued to such association, which association is the employer for the purpose of such sections, the premium on which is to be paid by the insured members or their employees, insuring members and their employees for amounts of insurance based upon some plan which will preclude individual selection except as provided in this section, for the benefit of persons other than the association; provided the association has been in existence for at least two years immediately preceding the purchase of the insurance; provided that there must be at least fifty insured members in any group; and provided that the association has been organized and is maintained in good faith for purposes other than that of obtaining insurance;~~

~~(9) Life (4) The amount of insurance on the life of any debtor, at no time, shall exceed the greater of the scheduled or actual amount of unpaid indebtedness to the creditor, except that insurance written in connection with open-end credit having a credit limit exceeding ten thousand dollars may be in an amount not exceeding the credit limit.~~

~~(5) The insurance may be payable to the creditor or any successor to the right, title, and interest of the creditor. The payment shall reduce or extinguish the unpaid indebtedness of the~~

debtor to the extent of the payment and any excess of the  
insurance shall be payable to the estate of the insured.

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(6) Notwithstanding divisions (B)(1) to (5) of this section,  
insurance on agricultural credit transaction commitments may be  
written up to the amount of the loan commitment on a nondecreasing  
or level term plan. Insurance on educational credit transaction  
commitments may be written up to the amount of the loan commitment  
less the amount of any repayments made on the loan.

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(C) A life insurance policy issued to a labor union or  
similar employee organization, which union or organization shall  
be deemed the policyholder, to insure members of the union or  
organization for the benefit of persons other than the union or  
organization or any of its officials, representatives, or agents,  
subject to all of the following requirements:

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(1) All of the members of the union or organization, or all  
of any class or classes of the members, are eligible for insurance  
under the policy.

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(2) The premium for the policy is paid either from funds of  
the union or organization or from funds contributed by the insured  
members specifically for the members' insurance, or from both.  
Except as provided in division (C)(3) of this section, a policy on  
which no part of the premium is derived from funds contributed by  
the insured members specifically for the members' insurance shall  
insure all eligible members, except those members who reject the  
coverage in writing.

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(3) An insurer may exclude or limit the coverage on any  
member as to whom evidence of individual insurability is not  
satisfactory to the insurer.

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(D) A life insurance policy issued to a trust or to the  
trustees of a trust fund established jointly by one or more  
employers in the same industry, on the one hand, and or adopted by

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~~two or more employees, or by one or more labor unions representing~~ 489  
~~as bargaining agents employees of such employers, on the other~~ 490  
~~hand, or by two or similar employee organizations, or by one or~~ 491  
~~more employers in the same industry, or by two and one or more~~ 492  
~~labor unions or similar employee organizations, which trust or~~ 493  
trustees shall be deemed the policyholder, to insure employees of 494  
the employers or members of the unions or similar employee 495  
organizations for the benefit of persons other than the employers 496  
or the unions or ~~the trustees~~ organizations, subject to the 497  
following requirements: 498

~~(a)(1)~~ The persons eligible for such insurance shall be all 499  
of the employees of the employers, or all of the members of the 500  
unions or organizations, or all of any class ~~of such employees~~ 501  
~~determined by sex, age, or conditions pertaining to their~~ 502  
~~employment, or to membership in the unions, or to any or all of~~ 503  
~~them or classes of the employees or members.~~ The policy may 504  
provide that "employees" includes the ~~retired employees of the~~ 505  
~~employer and the officers, managers, employees, and retired~~ 506  
employees of one or more subsidiary ~~or affiliated~~ corporations and 507  
the employees, individual proprietors, and partners, ~~employees,~~ 508  
~~and retired employees of affiliated individuals and firms, when~~ 509  
~~the business of such subsidiary or of one or more~~ affiliated 510  
corporations, ~~firms, or individuals is controlled by the common~~ 511  
~~employer through stock ownership, contract, or otherwise~~ 512  
proprietorships, or partnerships if the business of the employer 513  
and of the affiliated corporations, proprietorships, or 514  
partnerships is under common control. The policy may provide that 515  
"employees" includes the individual proprietor or partners if the 516  
employer is an individual ~~proprietor~~ proprietorship or a 517  
partnership. The policy may provide that "employees" includes 518  
retired employees, former employees, and directors of a corporate 519  
employer. The policy may provide that "employees" includes the 520  
trustees or their employees, or both, if their duties are 521

principally connected with ~~such~~ the trusteeship. 522

~~(b)(2) The premium for the policy shall be paid by the 523  
trustees, either wholly from funds contributed by the employer or 524  
employers of the insured persons, ~~or partly from such funds and~~ 525  
~~partly from funds contributed by the insured employees. If part of~~ 526  
~~the premium is to be derived from funds contributed by the insured~~ 527  
~~employees, then such policy may be placed in force only if it~~ 528  
~~covers at least seventy five per cent of the then eligible~~ 529  
~~employees. A or by the union or unions or similar employee~~ 530  
~~organizations, or by both, or from funds contributed by the~~ 531  
~~insured persons or from both the insured persons and the employers~~ 532  
~~or unions or similar employee organizations. Except as provided in~~ 533  
~~division (D)(3) of this section, a policy on which no part of the~~ 534  
~~premium is derived from funds contributed by the insured ~~employees~~~~ 535  
~~persons specifically for their insurance must insure all eligible~~ 536  
~~employees.~~ 537~~

~~(c) Any policy must insure at least two persons at date of 538  
issue.~~ 539

~~(d) The amounts of insurance under the policy must be based 540  
upon some plan precluding individual selection by the insured 541  
persons or the policyholder or the employers or the unions or the 542  
trustees.~~ 543

~~(10) Life insurance covering the members of a credit union, 544  
which shall be deemed to be the employer for the purposes of this 545  
section, the premium on which is to be paid by the credit union or 546  
by the credit union and its members jointly, and insuring all of 547  
its eligible members for amounts of insurance not in excess of the 548  
share balance as to each member, and for the benefit of persons 549  
other than the credit union or its officers; provided that in the 550  
determination of the eligibility of members there may be 551  
classifications and limitations based upon age; provided also that 552  
when the premium is to be paid by the credit union and its members 553~~

~~jointly and the benefits are offered to all eligible members, not  
less than seventy five per cent of such members may be so insured;  
provided also that in obtaining such insurance, the officers of  
the credit union shall consider proposals from any licensed  
insurer; provided also that members may be required to provide  
evidence of insurability satisfactory to the insurer.~~

~~(11) Life insurance covering the members of any duly  
organized corporation or association of members of the Ohio  
national guard, the Ohio naval militia, and the Ohio military  
reserve, which shall have been in existence for at least two years  
immediately preceding the purchase of such insurance, written  
under a policy issued to such corporation or association, which  
corporation or association is the employer for the purpose of such  
sections, the premium on which is to be paid by the insured  
members, insuring members for amounts of insurance based upon some  
plan which will preclude individual selection, except as provided  
in this section, for the benefit of persons other than the  
corporation or association, provided that there must be at least  
fifty insured members in any group, and provided further that  
unless seventy five per cent of all members or one thousand  
members, whichever is the lesser number, are insured, each member  
must pass a satisfactory medical examination in order to be  
insured; and provided that, when members apply and pay for  
additional amounts of insurance, they may be insured for such  
additional amounts if they pass satisfactory medical examinations  
or submit satisfactory evidence of insurability persons, except  
those persons who reject the coverage in writing.~~

~~(3) An insurer may exclude or limit the coverage on any  
person as to whom evidence of individual insurability is not  
satisfactory to the insurer.~~

~~(E) A life insurance policy issued to an association or to a  
trust or the trustees of a fund established, created, or~~

maintained for the benefit of members of one or more associations, 586  
which association, trust or trustee, or an agent, shall be deemed 587  
the policyholder, subject to all of the following requirements: 588

(1) The association or associations have at the outset a 589  
minimum of one hundred persons, have been organized and maintained 590  
in good faith for purposes other than that of obtaining insurance, 591  
have been in active existence for at least two years, and have a 592  
constitution and bylaws providing for all of the following: 593

(a) The association or associations shall hold regular 594  
meetings not less than annually to further purposes of the 595  
members. 596

(b) The association or associations, except for credit 597  
unions, shall collect dues or solicit contributions from members. 598

(c) The members of the association or associations shall have 599  
voting privileges and representation on the governing board and 600  
committees. 601

(2) The policy is subject to all of the following 602  
requirements: 603

(a) The policy may insure one or more of the members of the 604  
association or associations, employees of the association or 605  
associations, or employees of members, or all of any class or 606  
classes of the employees or members of the association or 607  
associations, and employees of the members of the association or 608  
associations, for the benefit of persons other than an employee's 609  
employer. 610

(b) The premium for the policy is paid from funds contributed 611  
by the association or associations, or by employer members, or by 612  
both, or from funds contributed by the covered members or 613  
employees or from both the covered members and employees and the 614  
association, associations, or employer members. 615

(c) Except as provided in division (E)(3) of this section, a policy on which no part of the premium is derived from funds contributed by the covered members and employees specifically for the covered members' and employees' insurance shall insure all eligible members and employees, except those who reject the coverage in writing. 616  
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(3) An insurer may exclude or limit the coverage on any member or employee as to whom evidence of individual insurance is not satisfactory to the insurer. 622  
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(F) A life insurance policy issued to a credit union or to a trustee or trustees or agent designated by two or more credit unions, which credit union, trustee, trustees, or agent shall be deemed the policyholder, to insure the members of the credit union or credit unions for the benefit of persons other than the credit union or credit unions, trust or trustees, or agents or officials of the credit union or credit unions or trust, subject to all of the following requirements: 625  
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(1) All of the members of the credit union or credit unions, or all of any class or classes of the members, are eligible for insurance. 633  
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(2) The premium for the policy is paid by the policyholder from the credit union's funds and except as provided in division (F)(3) of this section shall insure all eligible members. 636  
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(3) An insurer may exclude or limit the coverage on any member as to whom evidence of individual insurability is not satisfactory to the insurer. 639  
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~~(12)~~(G) Life insurance that is written under a policy issued to a trustee under a trust established by an insurer for the purpose of providing continued group life insurance coverage to those former employees, former members, or former members and the employees of such members, and their spouses and dependent 642  
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children dependents, previously covered under policies of group 647  
life insurance issued by the insurer to employers or trustees 648  
pursuant to division (A) of this section, to associations pursuant 649  
to division ~~(B)(8)(D)~~ of this section, ~~or~~ to trustees pursuant to 650  
division ~~(B)(9)(E)~~ of this section, or to groups pursuant to 651  
division (I) of this section, and that is evidenced by the 652  
issuance of a certificate of insurance or other evidence of 653  
insurance to such former employees or members as required by 654  
section 3917.06 of the Revised Code; provided that the amount of 655  
the continued life insurance coverage made available to a former 656  
employee or member and to the employee's or member's ~~spouse and~~ 657  
dependents shall not exceed the amount of the group life insurance 658  
coverage previously provided to the employee or member and the 659  
employee's or member's eligible dependents at the time of the 660  
employee's separation from employment or the member's termination 661  
of membership. 662

~~(13)(H)~~ Life insurance covering the members of a workforce 663  
actively engaged in an occupation for, and performing services on 664  
behalf of, a duly organized corporation, limited liability 665  
company, partnership, proprietor, or a similar organization, whose 666  
members are not employees of the organization, written under a 667  
policy issued to the organization, which organization is the 668  
~~members'~~ employer for this purpose, the premium on which is to be 669  
paid by the organization or by the organization and the members 670  
jointly, insuring members for amounts of insurance based upon some 671  
plan ~~which will preclude individual selection~~, for the benefit of 672  
persons other than the organization; ~~provided, that when the~~ 673  
~~premium is to be paid by the organization and its members jointly~~ 674  
~~and the benefits are offered to all eligible members, not less~~ 675  
~~than seventy five per cent of the members may be so insured;~~ 676  
provided also that members may be required to furnish evidence of 677  
insurability satisfactory to the insurer. Life insurance meeting 678  
this definition may also cover the organization's employees at the 679

option of the organization. 680

~~(C) Any policy issued pursuant to this section, except a 681  
policy issued to a creditor pursuant to division (B)(4) of this 682  
section, may be extended, in the form of group term life insurance 683  
only, to insure the spouse and dependent children of an insured 684  
employee or member, or any class or classes thereof, subject to 685  
the following requirements: 686~~

~~(1) The premiums for the group term life insurance shall be 687  
paid by the policyholder, either from the employer, union or 688  
association funds, or from funds contributed by the employer, 689  
union, or association, or from funds contributed by the insured 690  
employee or member, or from both. 691~~

~~(2) The amounts of insurance under the policy must be based 692  
upon some plan precluding individual selection either by the 693  
insured employee or member or by the policyholder. 694~~

~~(3) Upon termination of the group term life insurance with 695  
respect to the spouse of any insured employee or member by reason 696  
of such person's termination of employment or membership or death, 697  
the spouse insured pursuant to this section shall have the same 698  
conversion rights as to the group term life insurance on the 699  
spouse's life as is provided for the insured employee or member. 700~~

~~(4) Only one certificate need be issued for delivery to an 701  
insured employee or member if a statement concerning any 702  
dependent's coverage is included in such certificate. 703~~

(I)(1) A life insurance policy covering the members of a 704  
group other than one listed in divisions (A) to (H) of this 705  
section, subject to the superintendent finding all of the 706  
following: 707

(a) The issuance of the policy is not contrary to the best 708  
interest of the public. 709

(b) The issuance of the policy would result in economies of acquisition or administration. 710  
711

(c) The policy provides benefits that are reasonable in relation to the premiums charged. 712  
713

(2) An insurer shall not offer group life insurance in this state under a policy issued in another state unless the superintendent, or the insurance regulatory authority of another state with requirements substantially similar to the requirements set forth in division (I)(1) of this section, makes a determination that the requirements in division (I)(1) of this section have been met. 714  
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(3) The premium for a life insurance policy under this division is paid either from the policyholder's funds or from funds contributed by the insured members, or from both, and except as provided in division (I)(4) of this section, the policy must insure all eligible members except those members who reject the coverage in writing. 721  
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(4) An insurer may exclude or limit the coverage on any member as to whom evidence of individual insurability is not satisfactory to the insurer. 727  
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**Sec. 3917.02.** (A) As used in this section: 730

(1) "Direct response solicitation" means a solicitation through a sponsoring or endorsing entity through the mail, telephone, or other mass communication media. 731  
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(2) "Sponsoring or endorsing entity" means an organization that has arranged for the offering of a program of insurance in a manner that communicates that eligibility for participation in the program is dependent upon affiliation with the organization or that the organization encourages participation in the program. 734  
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(B) With respect to a program of life insurance that, if 739



issued on a group basis, would not qualify as a policy of group 740  
life insurance under divisions (A) to (H) of section 3917.01 of 741  
the Revised Code, the insurer shall distribute a written notice to 742  
prospective insureds that compensation will or may be paid, if 743  
compensation of any kind will or may be paid, to one of the 744  
following persons: 745

(1) A policyholder, or sponsoring or endorsing entity, in the 746  
case of a group policy; 747

(2) A sponsoring or endorsing entity in the case of 748  
individual, blanket, or franchise policies marketed by means of a 749  
direct response solicitation. 750

(C) The insurer shall distribute the notice required by this 751  
section whether the potential compensation is direct or indirect 752  
and whether the compensation is paid to or retained by the 753  
policyholder or sponsoring or endorsing entity or paid to or 754  
retained by a third party, or an entity affiliated with the third 755  
party by way of ownership, contract, or employment, at the 756  
direction of the policyholder or sponsoring or endorsing entity. 757

(D) The notice required by this section shall be placed on or 758  
accompany an application or enrollment form provided to 759  
prospective insureds. 760

**Sec. 3917.03.** Any life insurance policy issued pursuant to 761  
section 3917.01 of the Revised Code, except for a policy issued 762  
pursuant to division (B) of section 3917.01 of the Revised Code, 763  
may be extended to insure an employee's dependents or member's 764  
dependents, as defined by the policy, or any class or classes of 765  
dependents, subject to the following: 766

(A) The premium for the insurance shall be paid either from 767  
the funds contributed by the employer, union, association, or 768  
other person to whom the policy has been issued, or from funds 769

contributed by the covered persons, or from both. Except as 770  
provided in division (B) of this section, a policy on which no 771  
part of the premium for the dependent's coverage is derived from 772  
funds contributed by the covered persons shall insure the 773  
dependents of all eligible employees or members, or a class or 774  
classes of dependents. 775

(B) A life insurer may exclude or limit the coverage on any 776  
dependent as to whom evidence of individual insurability is not 777  
satisfactory to the insurer. 778

**Sec. 3917.06.** ~~No~~ Except as provided in division (M) of this 779  
section, no policy of group life insurance shall be issued or 780  
delivered in this state until a copy of its form has been filed 781  
with the superintendent of insurance and formally approved by the 782  
superintendent; nor shall such policy be so issued or delivered 783  
unless it contains in substance the following provisions or other 784  
provisions, that in the opinion of the superintendent of insurance 785  
are more favorable to the persons insured, or at least as 786  
favorable to the persons insured and more favorable to the 787  
policyholder: 788

(A) A provision that the policyholder is entitled to a grace 789  
period of thirty-one days for the payment of any premiums due 790  
except the first, during which grace period the death benefit 791  
coverage shall continue in force, unless the policyholder has 792  
given the insurer written notice of discontinuance in advance of 793  
the date of discontinuance and in accordance with the terms of the 794  
policy; the policy may provide that the policyholder is liable to 795  
the insurer for the payment of a pro rata premium for the time the 796  
policy was in force during such grace period; 797

(B) A provision that the policy is incontestable after two 798  
years from its date of issue, except for nonpayment of premiums 799  
~~and except for violation of the conditions of the policy relating~~ 800

~~to military or naval service in time of war.~~ No statement made by 801  
~~any individual insured under the policy relating to the~~ 802  
~~individual's insurability shall be used in contesting the validity~~ 803  
~~of the insurance, with respect to which the statement was made,~~ 804  
~~that has been in force prior to the contest for a period of two~~ 805  
~~years during the individual's life, unless the statement is~~ 806  
~~contained in a written instrument signed by the individual. This~~ 807  
~~division does not preclude the assertion at any time of defenses~~ 808  
~~based upon provisions in the policy that relate to eligibility for~~ 809  
~~coverage.~~ 810

(C) A provision requiring that the policy and a copy of the 811  
application submitted in connection therewith constitute the 812  
entire contract between the parties of the policyholder, if any, 813  
be attached to the policy when issued, and that all statements 814  
contained in such application are deemed, in the absence of fraud, 815  
made by the policyholder and individuals insured shall be deemed 816  
representations and not warranties, and that no such statement 817  
made by any person insured shall be used in defense to a claim 818  
under the policy, unless it is contained in a written application 819  
any contest unless a copy of the instrument containing the 820  
statement is furnished to the insured, or in the event of the 821  
death or incapacity of the insured, to the insured's beneficiary 822  
or personal representative; 823

(D) A provision setting forth the conditions, if any, under 824  
which the insurer reserves the right to require an individual 825  
eligible for insurance to furnish evidence of individual 826  
insurability satisfactory to the insurer as a condition to part or 827  
all of the individual's coverage; 828

(E) A provision ~~for the~~ specifying an equitable adjustment of 829  
the premium or ~~the amount of insurance payable~~ benefits, or both, 830  
to be made in the event of a misstatement of the age of an 831  
~~employee or other person whose life is insured under a group life~~ 832

policy; 833

~~(E) Except in the case of a policy described in division 834  
(B)(4) of section 3917.01 of the Revised Code, a. The provision 835  
shall contain a clear statement of the method of adjustment. 836~~

(F) A provision requiring that any sum becoming due by reason 837  
of the death of the insured be payable to the beneficiary 838  
designated by the insured. However, if the policy contains 839  
conditions pertaining to family status, the beneficiary may be the 840  
family member specified by the policy terms, subject to the 841  
provisions of the policy in the event that there is no designated 842  
beneficiary living at the time of the death of the insured as to 843  
all or any part of the sum, and subject to any right reserved in 844  
the policy by the insurer and set forth in the certificate to pay, 845  
at the insurer's option, a part of the sum not exceeding two 846  
thousand dollars to any beneficiary that the insurer believes is 847  
equitably entitled to the amount by reason of having incurred 848  
funeral or other expenses incident to the last illness or death of 849  
the insured. 850

(G) A provision that the ~~company~~ insurer will issue to the 851  
policyholder for delivery to each person ~~whose life is insured~~ 852  
~~under such policy, an individual~~ a certificate setting forth a 853  
statement as to the insurance protection to which the person is 854  
entitled, any dependent's coverage, to whom benefits are payable, 855  
~~together with~~ and the rights and conditions set forth in divisions 856  
(H) to (K) of this section. The policyholder may issue a single 857  
certificate for delivery to an insured employee or member if a 858  
statement concerning any dependent's coverage is included in the 859  
certificate. 860

(H)(1) A provision ~~to the effect that in case of~~ if all or 861  
any part of the insurance on an insured or an insured's dependents 862  
ceases because of the termination of ~~the~~ employment ~~for any reason~~ 863  
or of membership in the class or classes eligible for ~~insurance~~ 864

coverage under the policy, such person is entitled to have issued 865  
to the person by the ~~company~~ insurer, without evidence of 866  
insurability, ~~and upon application made to the company an~~ 867  
individual policy of life insurance without disability or 868  
supplementary benefits, provided that application for the 869  
individual policy is made, and the first premium is paid to the 870  
insurer, within thirty-one days after such termination, and ~~upon~~ 871  
~~the payment of the premium applicable to the class of risk to~~ 872  
~~which the person belongs and to the form and amount of the policy~~ 873  
~~at the person's then attained age, either a policy of life~~ 874  
~~insurance in~~ provided that all of the following conditions are 875  
met: 876

(a) The individual policy is on any one of the forms 877  
customarily issued by the ~~company, except term insurance, in any~~ 878  
~~amount not in excess of the amount of the person's protection~~ 879  
~~under the group insurance policy at the time of the termination,~~ 880  
~~as the person elects or, if applicable, the coverage described in~~ 881  
~~division (B)(12) of section 3917.01 of the Revised Code;~~ 882

~~(F)~~ insurer to that age and for the amount applied for, 883  
except that the group policy may exclude the option to elect term 884  
insurance. 885

(b) The individual policy is in an amount not in excess of 886  
the amount of life insurance that ceases because of termination, 887  
less the amount of any life insurance for which the person is 888  
eligible under the same or any other group policy within 889  
thirty-one days after termination, provided that any amount of 890  
life insurance that matures on or before the date of termination 891  
as an endowment payable to the insured, whether in one sum, 892  
installments, or in the form of an annuity, shall not, for 893  
purposes of this division, be included in the amount that is 894  
considered to cease because of termination. 895

(c) The premium on the individual policy is set at the 896

insurer's then customary rate applicable to the form and amount of 897  
the individual policy, the individual's class of risk, and the 898  
individual's age as of the effective date of the individual 899  
policy. 900

(2) Subject to the conditions set forth in division (H)(1) of 901  
this section, the conversion privilege is available to the 902  
following individuals: 903

(a) A surviving dependent, if any, at the death of the 904  
employee or member, with respect to the coverage under the group 905  
policy that terminates by reason of the employee's or member's 906  
death; 907

(b) A dependent of an employee or member upon termination of 908  
the dependent's coverage, while the employee or member remains 909  
insured under the group policy, by reason of the dependent ceasing 910  
to be a dependent under the group policy. 911

(3) If the individual is not given notice of the right to 912  
obtain individual coverage under this division at least fifteen 913  
days prior to the expiration of the thirty-one-day conversion 914  
period provided by division (H)(1) of this section then the 915  
individual shall have an additional period to exercise that right. 916  
This additional period shall extend for fifteen days after the 917  
individual is given notice, but in no event shall the period 918  
extend beyond sixty days after the expiration date of the period 919  
provided in the policy. Written notice provided to the individual 920  
or mailed by the policyholder to the last known address of the 921  
individual, or mailed by the insurer to the last known address of 922  
the individual furnished to the insurer by the policyholder, 923  
constitutes notice for purposes of this division. 924

(4) Nothing contained in the division shall be construed to 925  
continue any insurance beyond the expiration date of the period 926  
provided in the policy. 927

(I) A provision that if the group policy terminates or is amended so as to terminate the insurance of any class of insured persons, every person insured thereunder at the date of such termination whose insurance terminates, including an insured's dependent, and who has been so insured for at least five years prior to such termination date is entitled to have issued ~~to the person~~ by the insurer an individual policy of life insurance, subject to the same conditions and limitations as are provided by division ~~(E)~~(H) of this section, except that the group policy may provide that the amount of such individual policy shall not exceed the smaller of (1) the amount of the person's life insurance ~~protection~~ ceasing because of the termination or amendment of the group policy, less the amount of any life insurance for which the person is or becomes eligible under any group policy issued or reinstated by the same or another insurer within thirty-one days after such termination, and (2) ~~two~~ ten thousand dollars;

~~(G)~~(J) A provision that if a person insured under the group policy, or an insured's dependent, dies during the period within which the person would have been entitled to have an individual policy issued ~~to the person~~ in accordance with division ~~(E)~~(H) or ~~(F)~~(I) of this section, and before such an individual policy has become effective, the amount of life insurance which the person would have been entitled to have issued ~~to the person~~ under such individual policy shall be payable as a claim under the group policy, whether or not application for the individual policy or the payment of the first premium therefor has been made;

~~(H) A provision that to the group or class of persons originally insured there shall be added from time to time all new employees of the employer or other persons eligible to insurance in such group or class;~~

~~(I) In the case of a policy issued to a labor union covering all members of the union, a notice that the annual renewable term~~

~~premium depends upon the attained ages of the members in the group  
and increases with advancing ages.~~ 960  
961

~~Policies of group life insurance, when issued in this state  
by any company not organized under the laws of this state, may  
contain, when issued, any provision required by the law of the  
state, territory, or district of the United States under which the  
company is organized; and policies issued in other states or  
countries by companies organized in this state, may contain any  
provision required or permitted by the laws of the state,  
territory, district, or country in which the same are issued. Any  
such policy may be issued or delivered in this state which in the  
opinion of the superintendent contains provisions on any one or  
more of the requirements of this section more favorable to the  
policyholder or to the person whose life is insured under such  
policy than such requirements.~~ 962  
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~~The group life insurance policy together with any application  
in connection therewith shall be available for inspection during  
regular business hours at the office of the policyholder where  
such policy is on file, by any beneficiary thereunder or by an  
authorized representative of such beneficiary.~~ 975  
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~~Except as provided in sections 3917.01 to 3917.06 of the  
Revised Code, no contract of life insurance shall be made covering  
a group in this state.~~ 980  
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(K) Where active employment is a condition of insurance, a  
provision that an insured may continue coverage during the  
insured's total disability by timely payment to the policyholder  
of that portion, if any, of the premium that would have been  
required from the insured if the insured's total disability had  
not occurred. The continuation shall be on a premium basis for a  
period of six months after the date on which the insured's total  
disability started, but not later than the earlier of either of 983  
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<u>the following:</u>	991
<u>(1) The insurer approving of continuation of the coverage</u>	992
<u>under any disability provision that the group policy may contain;</u>	993
<u>(2) The discontinuance of the group life insurance policy.</u>	994
<u>(L) In the case of a life insurance policy insuring the lives</u>	995
<u>of debtors, a provision requiring that the insurer furnish to the</u>	996
<u>policyholder for delivery to each debtor insured under the policy</u>	997
<u>a certificate of insurance describing the coverage and specifying</u>	998
<u>that the death benefit first be applied to reduce or extinguish</u>	999
<u>the debtor's unpaid indebtedness.</u>	1000
<u>(M)(1) Divisions (F) to (K) of this section do not apply to</u>	1001
<u>group policies insuring the lives of debtors.</u>	1002
<u>(2) With the exception of division (K) of section 3915.05 and</u>	1003
<u>section 3915.052 of the Revised Code, Chapter 3915. of the Revised</u>	1004
<u>Code does not apply to group policies.</u>	1005
<u>(3) If a group policy is other than a term plan of insurance,</u>	1006
<u>the policy shall contain a nonforfeiture provision or provisions,</u>	1007
<u>which, in the opinion of the superintendent, are equitable to the</u>	1008
<u>insureds and the policyholder. Nothing in this division shall be</u>	1009
<u>construed to require group life insurance policies to contain the</u>	1010
<u>same nonforfeiture provisions as are required for individual life</u>	1011
<u>insurance policies.</u>	1012
<u>(4)(a) If a group policy is other than a term plan of</u>	1013
<u>insurance the policy shall contain a policy loan provision</u>	1014
<u>authorizing insureds to borrow upon the policy, unless the loan</u>	1015
<u>value of certificates issued under the policy is established by</u>	1016
<u>federal law. The policy loan provision may include one or more of</u>	1017
<u>the following conditions:</u>	1018
<u>(i) The borrower has held a certificate under the policy for</u>	1019
<u>a minimum period, not to exceed three years;</u>	1020

(ii) No premium on the policy is in default beyond the grace period for payment; 1021  
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(iii) A minimum loan amount, not to exceed one thousand dollars; 1023  
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(iv) The borrower accepts an adjustable interest rate charge, not to exceed two per cent above the rate used to compute the cash surrender value. 1025  
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(b) For purposes of the policy loan provision, the loan value of a certificate shall equal one of the following: 1028  
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(i) Ninety per cent of the cash surrender value of the certificate at the time that the loan is made, less any outstanding indebtedness including any unpaid interest not already deducted; 1030  
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(ii) The cash surrender value of the certificate at the time that the loan is made, less any outstanding indebtedness including any unpaid interest not already deducted, less the amount needed to pay the certificate's cost of insurance charges and expenses for as long as three months after the time that the loan is made. 1034  
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**Sec. 3917.07.** No provision in section 3917.06 of the Revised Code shall prohibit a person whose life is insured under any such policy of group life insurance from making an assignment of all or any part of ~~his~~ the person's incidents of ownership under such policy including specifically, but not by way of limitation, any right to designate a beneficiary or beneficiaries thereunder and any right to have an individual policy issued to ~~him~~ the person in accordance with division ~~(E)~~(H) or ~~(F)~~(I) of section 3917.06 of the Revised Code. Subject to the terms of the policy relating to assignment of incidents of ownership thereunder, such an assignment by an insured, made either before or after the effective date of this section, is valid for the purpose of 1039  
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vesting in the assignee, in accordance with any provisions 1051  
included therein as to the time at which it is to be effective, 1052  
all of such incidents of ownership so assigned, but without 1053  
prejudice to the insurer on account of any payment it may make or 1054  
individual policy it may issue in accordance with division ~~(E)~~(H) 1055  
or ~~(F)~~(I) of section 3917.06 of the Revised Code prior to receipt 1056  
of notice of the assignment. 1057

**Section 2.** That existing sections 9.90, 1751.12, 3917.01, 1058  
3917.06, and 3917.07 and section 3917.03 of the Revised Code are 1059  
hereby repealed. 1060