

**As Passed by the Senate**

**128th General Assembly**

**Regular Session**

**2009-2010**

**Sub. H. B. No. 300**

**Representatives Dyer, Hottinger**

**Cosponsors: Representatives Heard, Combs, Luckie, Murray, Williams, B.,  
Okey, Fende, Brown, Batchelder, Boyd, Carney, Chandler, DeBose, Dodd,  
Domenick, Evans, Garland, Hackett, Harris, Harwood, Letson, Mecklenborg,  
Sayre, Snitchler, Stewart, Yates**

**Senators Schaffer, Buehrer, Faber, Gillmor, Harris, Hughes, Husted,  
Miller, D., Turner, Wagoner, Schiavoni**

—

**A B I L L**

To amend sections 1751.33, 1753.33, 3901.021, 1  
3903.81, 3903.83, 3905.04, 3905.041, 3905.05, 2  
3905.06, 3905.061, 3905.07, 3905.071, 3905.12, 3  
3905.14, 3905.16, 3905.20, 3905.30, 3905.35, 4  
3905.36, 3905.40, 3905.41, 3905.481, 3905.483, 5  
3905.484, 3905.841, 3905.85, 3905.86, 3905.862, 6  
3905.87, 3905.88, 3905.89, 3905.932, 3924.01, 7  
3924.09, 3924.10, 3929.30, 3956.04, 3960.03, and 8  
5725.18, to enact section 3905.051, and to repeal 9  
sections 3905.10, 3905.482, and 3929.301 of the 10  
Revised Code to make changes to the law governing 11  
the licensure and regulation of insurance agents, 12  
certain insurance-related taxes, the Ohio Life and 13  
Health Insurance Guaranty Association, Ohio health 14  
care plans, risk-based capital reports, reporting 15  
requirements for insurers, and notice requirements 16  
for health insuring corporations, to temporarily 17  
extend the time after employment during which a 18

person can keep the person's health insurance 19  
coverage, and to declare an emergency. 20

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

**Section 1.** That sections 1751.33, 1753.33, 3901.021, 3903.81, 21  
3903.83, 3905.04, 3905.041, 3905.05, 3905.06, 3905.061, 3905.07, 22  
3905.071, 3905.12, 3905.14, 3905.16, 3905.20, 3905.30, 3905.35, 23  
3905.36, 3905.40, 3905.41, 3905.481, 3905.483, 3905.484, 3905.841, 24  
3905.85, 3905.86, 3905.862, 3905.87, 3905.88, 3905.89, 3905.932, 25  
3924.01, 3924.09, 3924.10, 3929.30, 3956.04, 3960.03, and 5725.18 26  
be amended and section 3905.051 of the Revised Code be enacted to 27  
read as follows: 28

**Sec. 1751.33.** (A) Each health insuring corporation shall 29  
provide to its subscribers, ~~by mail,~~ a description of the health 30  
insuring corporation, its method of operation, its service area, 31  
its most recent provider list, its complaint procedure established 32  
pursuant to section 1751.19 of the Revised Code, and a description 33  
of its utilization review, internal review, and external review 34  
processes established under sections 1751.77 to 1751.85 of the 35  
Revised Code. A health insuring corporation may satisfy this 36  
requirement by delivering to its subscribers a document that 37  
identifies a web site where the subscriber may view this 38  
information. At the request of ~~or with the approval of~~ the 39  
subscriber, a health insuring corporation ~~may~~ shall provide this 40  
information in hard copy by ~~electronic means rather than by~~ mail. 41  
A health insuring corporation providing basic health care services 42  
or supplemental health care services shall provide this 43  
information annually. A health insuring corporation providing only 44  
specialty health care services shall provide this information 45  
biennially. 46

(B) Each health insuring corporation, upon the request of a 47

subscriber, shall make available its most recent statutory 48  
financial statement. 49

**Sec. 1753.33.** (A) For purposes of sections 1753.31 to 1753.43 50  
of the Revised Code, a "company action level event" is any of the 51  
following events: 52

(1) A health insuring corporation's filing of an RBC report 53  
that indicates that the health insuring corporation's total 54  
adjusted capital is greater than or equal to its regulatory action 55  
level RBC but less than its company action level RBC; 56

(2) A health insuring corporation's filing of an RBC report 57  
that indicates that the health insuring corporation's total 58  
adjusted capital is greater than or equal to its company action 59  
level RBC but less than the product of its authorized control 60  
level RBC and 3.0, and that triggers the trend test determined in 61  
accordance with the trend test calculation included in the RBC 62  
instructions; 63

(3) The notification by the superintendent of insurance to a 64  
health insuring corporation of an adjustment to the health 65  
insuring corporation's RBC report, which adjusted RBC report shows 66  
the health insuring corporation's total adjusted capital within 67  
the range described in division (A)(1) of this section, provided 68  
that the health insuring corporation does not challenge the 69  
adjusted RBC report under section 1753.37 of the Revised Code; 70

~~(3)~~(4) The notification by the superintendent to a health 71  
insuring corporation, following the hearing required under section 72  
1753.37 of the Revised Code, that the superintendent has rejected 73  
the health insuring corporation's challenge to an adjusted RBC 74  
report showing the health insuring corporation's total adjusted 75  
capital within the range described in division (A)(1) of this 76  
section. 77

(B) In the case of a company action level event, the health	78
insuring corporation shall prepare and submit to the	79
superintendent an RBC plan that shall do all of the following:	80
(1) Identify the conditions that contributed to the company	81
action level event;	82
(2) Contain proposals of corrective actions that the health	83
insuring corporation intends to take to eliminate the conditions	84
contributing to the company action level event;	85
(3) Provide projections of the health insuring corporation's	86
financial results in the current year and at least the two	87
succeeding years, both in the absence of the proposed corrective	88
actions and giving effect to the proposed corrective actions. The	89
projections shall include projections of statutory balance sheets,	90
operating income, net income, capital, surplus, and RBC levels.	91
Projections for both new and renewal business may include separate	92
projections for each major line of business, and may separately	93
identify each significant income, expense, and benefit component	94
of the projection.	95
(4) Identify the key assumptions impacting the health	96
insuring corporation's projections made pursuant to division	97
(B)(3) of this section, and describe the sensitivity of the	98
projections to the assumptions;	99
(5) Identify the quality of, and problems associated with,	100
the health insuring corporation's business, including, but not	101
limited to, its assets, anticipated business growth and associated	102
surplus strain, extraordinary exposure to risk, mix of business,	103
and the use of reinsurance, if any, in each case.	104
(C) The RBC plan shall be submitted within forty-five days	105
after a company action level event. However, if a health insuring	106
corporation has challenged an adjusted RBC report pursuant to	107
section 1753.37 of the Revised Code, an RBC plan need not be	108

submitted unless the superintendent rejects the challenge 109  
following the hearing required under section 1753.37 of the 110  
Revised Code. If the superintendent rejects the health insuring 111  
corporation's challenge, the RBC plan shall be submitted within 112  
forty-five days after the superintendent's notification to the 113  
health insuring corporation of the superintendent's rejection of 114  
the challenge. 115

(D)(1) Within sixty days after a health insuring corporation 116  
submits an RBC plan to the superintendent, the superintendent 117  
shall either require the health insuring corporation to implement 118  
the RBC plan or notify the health insuring corporation that the 119  
RBC plan is unsatisfactory in the judgment of the superintendent. 120  
If the superintendent has determined that the RBC plan is 121  
unsatisfactory, the notification to the health insuring 122  
corporation shall set forth the reasons for the determination, and 123  
may set forth proposed revisions that will render the RBC plan 124  
satisfactory in the judgment of the superintendent. Upon its 125  
receipt of such notification from the superintendent, the health 126  
insuring corporation shall prepare and submit a revised RBC plan, 127  
which may incorporate by reference any revisions proposed by the 128  
superintendent. 129

(2) If a health insuring corporation challenges, under 130  
section 1753.37 of the Revised Code, a notification by the 131  
superintendent that the health insuring corporation's RBC plan or 132  
a revised RBC plan is unsatisfactory, submission of a revised RBC 133  
plan need not be made unless the superintendent rejects the health 134  
insuring corporation's challenge and notifies the health insuring 135  
corporation of this rejection. A health insuring corporation shall 136  
submit a revised RBC plan to the superintendent within forty-five 137  
days after receiving notification from the superintendent that its 138  
RBC plan is unsatisfactory, or that its challenge to a 139  
notification made under division (D)(1) of this section has been 140

rejected, as applicable. 141

(E) Notwithstanding division (D) of this section, if the 142  
superintendent notifies a health insuring corporation that its RBC 143  
plan or revised RBC plan is unsatisfactory, the superintendent 144  
may, at the superintendent's discretion but subject to the health 145  
insuring corporation's right to a hearing under section 1753.37 of 146  
the Revised Code, specify in the notification that the 147  
notification constitutes a regulatory action level event. 148

(F) Every domestic health insuring corporation that submits 149  
an RBC plan or revised RBC plan to the superintendent shall file a 150  
copy of the RBC plan or revised RBC plan with the insurance 151  
regulatory authority of every state in which the health insuring 152  
corporation is authorized to do business upon receiving the 153  
insurance regulatory authority's written request for a copy of the 154  
plan, if the state has a confidentiality law substantially similar 155  
to section 1753.38 of the Revised Code. The health insuring 156  
corporation shall file the copy in that state no later than the 157  
later of: 158

(1) Fifteen days after receiving the request for a copy of 159  
the plan; 160

(2) The date on which the RBC plan or revised RBC plan is 161  
filed pursuant to division (C) or (D) of this section. 162

**Sec. 3901.021.** (A) Three-fourths of all appointment and other 163  
fees collected under ~~section 3905.10~~ and division (B) of section 164  
3905.20 of the Revised Code shall be paid into the state treasury 165  
to the credit of the department of insurance operating fund, which 166  
is hereby created. The remaining one-fourth shall be credited to 167  
the general revenue fund. Other revenues collected by the 168  
superintendent of insurance, such as registration fees for 169  
sponsored seminars or conferences and grants from private 170  
entities, shall be paid into the state treasury to the credit of 171

the department of insurance operating fund.	172
(B) Seven-tenths of all fees collected under divisions	173
(A)(2), (A)(3), and (A)(6) of section 3905.40 of the Revised Code	174
shall be paid into the state treasury to the credit of the	175
department of insurance operating fund. The remaining three-tenths	176
shall be credited to the general revenue fund.	177
(C) All operating expenses of the department of insurance	178
except those expenses defined under section 3901.07 of the Revised	179
Code shall be paid from the department of insurance operating	180
fund.	181
<b>Sec. 3903.81.</b> As used in sections 3903.81 to 3903.93 of the	182
Revised Code:	183
(A) "Adjusted RBC report" means an RBC report that has been	184
adjusted by the superintendent of insurance in accordance with	185
division (C) of section 3903.82 of the Revised Code.	186
(B) "Authorized control level RBC" means the number	187
determined under the risk-based capital formula in accordance with	188
the RBC instructions.	189
(C) "Company action level RBC" means the product of 2.0 and	190
an insurer's authorized control level RBC.	191
(D) "Corrective order" means an order issued by the	192
superintendent of insurance in accordance with division (B)(3) of	193
section 3903.84 of the Revised Code specifying corrective actions	194
that the superintendent has determined are required.	195
(E) "Domestic insurer" means any insurance company organized	196
under Chapter 3907. or 3925. of the Revised Code.	197
(F) "Foreign insurer" means any insurance company licensed	198
under section 3909.01 or 3927.01 of the Revised Code.	199
(G) "Life or health insurer" means any insurance company	200

licensed under section 3907.08 or 3909.01 of the Revised Code, or 201  
a company possessing a certificate of authority pursuant to 202  
section 3929.01 of the Revised Code that writes only accident and 203  
health insurance. 204

(H) "Mandatory control level RBC" means the product of .70 205  
and an insurer's authorized control level RBC. 206

(I) "NAIC" means the national association of insurance 207  
commissioners. 208

(J) "Negative trend" means a negative trend over a period of 209  
time for a life or health insurer as determined in accordance with 210  
the trend test calculation included in the RBC instructions. 211

(K) "Property and casualty insurer" means any insurance 212  
company that has a certificate of authority pursuant to section 213  
3929.01 of the Revised Code. "Property and casualty insurer" does 214  
not include monoline mortgage guarantee insurers, financial 215  
guarantee insurers, or title insurers. 216

(L) "RBC" means risk-based capital. 217

(M) "RBC instructions" means the RBC report, including 218  
risk-based capital instructions, as adopted by the NAIC and as 219  
amended by the NAIC from time to time in accordance with the 220  
procedures adopted by the NAIC. ~~However, no NAIC amendment to the~~ 221  
~~RBC instructions shall become effective until the superintendent~~ 222  
~~has adopted by rule the RBC instructions as so amended.~~ "RBC 223  
instructions" shall also include any modifications adopted by the 224  
superintendent, as the superintendent considers to be necessary. 225

(N) "RBC level" means an insurer's company action level RBC, 226  
regulatory action level RBC, authorized control level RBC, or 227  
mandatory control level RBC. 228

(O) "RBC plan" means a comprehensive financial plan 229  
containing the elements specified in division (B) of section 230



3903.83 of the Revised Code.	231
(P) "Revised RBC plan" means an RBC plan rejected by the superintendent of insurance and then revised by an insurer with or without incorporating the superintendent of insurance's recommendation.	232 233 234 235
(Q) "RBC report" means the report required by section 3903.82 of the Revised Code.	236 237
(R) "Regulatory action level RBC" means the product of 1.5 and an insurer's authorized control level RBC.	238 239
(S) "Total adjusted capital" means the sum of both of the following:	240 241
(1) An insurer's statutory capital and surplus as determined in accordance with the statutory accounting applicable to the annual statements prepared on a form adopted under section 3901.77 of the Revised Code, as required to be filed by sections 3907.19, 3909.06, and 3929.30 of the Revised Code;	242 243 244 245 246
(2) Such other items, if any, as the RBC instructions may provide.	247 248
<b>Sec. 3903.83.</b> (A) For purposes of sections 3903.81 to 3903.93 of the Revised Code, a "company action level event" is any of the following events:	249 250 251
(1) A domestic or foreign insurer's filing of an RBC report that indicates that the insurer's total adjusted capital is greater than or equal to its regulatory action level RBC but less than its company action level RBC;	252 253 254 255
(2) A life or health insurer's filing of an RBC report that indicates that the insurer's total adjusted capital is greater than or equal to its company action level RBC but less than the product of 2.5 and its authorized control level RBC, and that indicates a negative trend;	256 257 258 259 260

(3) A property and casualty insurer's filing of an RBC report that indicates that the insurer's total adjusted capital is greater than or equal to its company action level RBC but less than the product of its authorized control level RBC and 3.0, and that triggers the trend test determined in accordance with the trend test calculation included in the property and casualty RBC instructions;

(4) The notification by the superintendent of insurance to an insurer of an adjustment to the insurer's RBC report, which adjusted RBC report shows the insurer's total adjusted capital within the range described in either division (A)(1) or (2) of this section, provided that the insurer does not challenge the adjusted RBC report under section 3903.87 of the Revised Code;

~~(4)~~(5) The superintendent's notification to an insurer, following the hearing required under section 3903.87 of the Revised Code, that the superintendent has rejected the insurer's challenge to an adjusted RBC report showing the insurer's total adjusted capital within the range described in either division (A)(1) or (2) of this section.

(B) In the case of a company action level event, the insurer shall prepare and submit to the superintendent an RBC plan that shall:

(1) Identify the conditions that contributed to the company action level event;

(2) Contain proposals of corrective actions that the insurer intends to take to eliminate the conditions leading to the company action level event;

(3) Provide projections of the insurer's financial results in the current year and at least the four succeeding years, both in the absence of the proposed corrective actions and giving effect to the proposed corrective actions. The projections shall include

projections of statutory operating income, net income, capital, 292  
and surplus. Projections for both new and renewal business may 293  
include separate projections for each major line of business, and 294  
may separately identify each significant income, expense, and 295  
benefit component of the projection. 296

(4) Identify the key assumptions impacting the insurer's 297  
projections made pursuant to division (B)(3) of this section, and 298  
describe the sensitivity of the projections to the assumptions; 299

(5) Identify the quality of, and problems associated with, 300  
the insurer's business, including, but not limited to, its assets, 301  
anticipated business growth and associated surplus strain, 302  
extraordinary exposure to risk, mix of business, and use of 303  
reinsurance. 304

(C) The RBC plan shall be submitted within forty-five days 305  
after a company action level event. However, if an insurer has 306  
challenged an adjusted RBC report pursuant to section 3903.87 of 307  
the Revised Code, the RBC plan need not be submitted until after 308  
the hearing required under section 3903.87 of the Revised Code. If 309  
the superintendent rejects the insurer's challenge, the RBC plan 310  
shall be submitted within forty-five days after the 311  
superintendent's notification to the insurer of the rejection of 312  
the challenge. 313

(D)(1) Within sixty days after an insurer submits an RBC plan 314  
to the superintendent, the superintendent shall either require the 315  
insurer to implement the RBC plan or shall notify the insurer that 316  
the RBC plan is unsatisfactory in the judgment of the 317  
superintendent. If the superintendent has determined that the RBC 318  
plan is unsatisfactory, the notification to the insurer shall set 319  
forth the reasons for the determination, and may set forth 320  
proposed revisions that will render the RBC plan satisfactory in 321  
the judgment of the superintendent. Upon such notification from 322  
the superintendent, the insurer shall prepare and submit a revised 323

RBC plan, which may incorporate by reference any revisions 324  
proposed by the superintendent. 325

(2) If an insurer challenges, under section 3903.87 of the 326  
Revised Code, a notification from the Superintendent that the 327  
insurer's RBC plan or a revised RBC plan is unsatisfactory, 328  
submission of a revised RBC plan need not be made unless the 329  
superintendent rejects the insurer's challenge following the 330  
hearing required by section 3903.87 of the Revised Code and then 331  
notifies the insurer of this rejection. 332

(3) An insurer shall submit a revised RBC plan to the 333  
superintendent within forty-five days after receiving notification 334  
from the superintendent that its RBC plan is unsatisfactory, or, 335  
that its challenge to a notification made under division (D)(1) of 336  
this section has been rejected, as applicable. 337

(E) Notwithstanding division (D) of this section, if the 338  
superintendent notifies an insurer that its RBC plan or revised 339  
RBC plan is unsatisfactory, the superintendent may, at the 340  
superintendent's discretion, but subject to the insurer's right to 341  
a hearing under section 3903.87 of the Revised Code, specify in 342  
the notification that the notification constitutes a regulatory 343  
action level event. 344

(F) Every domestic insurer that submits an RBC plan or 345  
revised RBC plan to the superintendent shall file a copy of the 346  
RBC plan or revised RBC plan with the insurance regulatory 347  
authority of every state in which the insurer is authorized to do 348  
business upon receiving the insurance regulatory authority's 349  
written request for a copy of the plan, if the state has a 350  
confidentiality law with provisions substantially similar to those 351  
set forth in divisions (A) and (B) of section 3903.88 of the 352  
Revised Code. The insurer shall file the copy in that state no 353  
later than the later of: 354

(1) Fifteen days after receiving the request for a copy of the plan;

(2) The date on which the RBC plan or revised RBC plan is filed pursuant to division (C) or (D) of this section.

**Sec. 3905.04.** (A) Except as otherwise provided in this section or in section 3905.041 of the Revised Code, a resident individual applying for an insurance agent license for any of the lines of authority described in division (B) of this section shall take and pass a written examination prior to application for licensure. The examination shall test the knowledge of the individual with respect to the lines of authority for which application ~~is~~ will be made, the duties and responsibilities of an insurance agent, and the insurance laws of this state. Before admission to the examination, each individual shall pay the nonrefundable examination fee ~~required under division (C) of section 3905.40 of the Revised Code~~.

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

(1) Any of the lines of authority set forth in divisions (B)(1) to ~~(6)~~(5) of section 3905.06 of the Revised Code;

(2) Title insurance;

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

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

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

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

(2) The individual has earned a professional designation 385  
approved by the superintendent. 386

(3) The individual has completed, for each line of authority 387  
for which the individual has applied, twenty hours of study in a 388  
program of insurance education approved by the superintendent, in 389  
consultation with the insurance agent education advisory council, 390  
under criteria established by the superintendent. Division (C) of 391  
this section does not apply with respect to title insurance or any 392  
other line of authority designated by the superintendent. 393

(D) An individual who fails to appear for an examination as 394  
scheduled, or fails to pass an examination, may reapply for the 395  
examination if the individual pays the required fee and submits 396  
any necessary forms prior to being rescheduled for the 397  
examination. 398

(E)(1) The superintendent may, in accordance with Chapter 399  
119. of the Revised Code, adopt any rule necessary for the 400  
implementation of this section. 401

(2) The superintendent may make any necessary arrangements, 402  
including contracting with an outside testing service, for the 403  
administration of the examinations and the collection of the fees 404  
required by this section. 405

**Sec. 3905.041.** (A)(1) An individual who applies for a 406  
resident insurance agent license in this state within ninety days 407  
after establishing a principal place of residence or principal 408  
place of business in this state shall not be required under 409  
section 3905.04 of the Revised Code to complete a program of 410  
insurance education or to pass a written examination if the 411  
individual has paid all applicable fees required under this 412  
chapter and if either of the following applies: 413

(a) The individual is currently licensed in another state and 414

is in good standing for the line or lines of authority requested. 415

(b) The individual was previously licensed in another state, 416  
the individual's application for a resident insurance agent 417  
license in this state is received within ninety days after the 418  
cancellation of the individual's previous license, and, at the 419  
time of license cancellation, the individual was in good standing 420  
for the line or lines of authority requested. 421

(2) To determine an applicant's licensure status and standing 422  
~~status~~ in another state, the superintendent of insurance may 423  
utilize the producer database maintained by the NAIC or its 424  
affiliates or subsidiaries. If that information is not available 425  
on the producer database, the superintendent may require a 426  
~~certification letter~~ documentation from the prior home state. 427

(B) An individual who applies for a temporary insurance agent 428  
license in this state shall not be required under section 3905.04 429  
of the Revised Code to complete any prelicensing education or to 430  
pass a written examination. 431

(C) The superintendent may exempt any limited lines insurance 432  
from the examination requirement of section 3905.04 of the Revised 433  
Code. 434

**Sec. 3905.05.** (A) A natural person shall apply for a resident 435  
insurance agent license by submitting to the superintendent of 436  
insurance the uniform application or any other application 437  
prescribed by the superintendent, any additional information 438  
required by the superintendent, and a declaration made under 439  
penalty of refusal, suspension, or revocation of the license, that 440  
the statements made in the application are true, correct, and 441  
complete to the best of the applicant's knowledge and belief and 442  
paying any applicable fees required under this chapter. 443

A person who applies for a resident insurance agent license 444

with a variable life-variable annuity line of authority shall 445  
include in the person's application the person's individual 446  
central registration depository number. 447

The applicant shall also ~~request~~ consent to a criminal 448  
records check ~~conducted by the superintendent of the bureau of~~ 449  
~~criminal identification and investigation in accordance with~~ 450  
~~section 109.572 of the Revised Code, or other governmental~~ 451  
~~agencies, or other sources, as required and designated by the~~ 452  
~~superintendent of insurance, and direct that the responses to that~~ 453  
~~request be transmitted to the superintendent of insurance, or to~~ 454  
~~the superintendent's designee. If the superintendent of insurance~~ 455  
~~or the superintendent's designee fails to receive a response to a~~ 456  
~~requested criminal records check, or if the applicant fails to~~ 457  
~~request the criminal records check, the superintendent may refuse~~ 458  
~~to issue a license under this section. The applicant shall pay any~~ 459  
~~fee required for conducting the criminal records check~~ pursuant to 460  
section 3905.051 of the Revised Code. 461

(B) A business entity acting as an insurance agent shall 462  
apply for a resident insurance agent license by submitting to the 463  
superintendent ~~of insurance~~ the uniform business entity 464  
application or any other application prescribed by the 465  
superintendent and paying any applicable fees required under this 466  
chapter. 467

(C) The superintendent may require an applicant to submit any 468  
document reasonably necessary to verify the information contained 469  
in an application. 470

**Sec. 3905.051.** As used in this section: 471

(A) "Applicant" means a natural person applying for either of 472  
the following: 473

(1) A resident license as an insurance agent or surety bail 474



bond agent; 475

(2) An additional line of authority under an existing 476  
resident insurance agent license if a criminal record check has 477  
not been obtained within the last twelve months for insurance 478  
license purposes. 479

(B) "Fingerprint" means an impression of the lines on the 480  
finger taken for the purpose of identification. The impression may 481  
be electronic or converted to an electronic format. 482

(C) Each applicant shall consent to a criminal record check 483  
in accordance with this section and shall submit a full set of 484  
fingerprints to the superintendent of insurance for that purpose. 485

(D) The superintendent of insurance shall request the 486  
superintendent of the bureau of criminal identification and 487  
investigation to conduct a criminal records check based on the 488  
applicant's fingerprints. The superintendent of insurance shall 489  
request that criminal record information from the federal bureau 490  
of investigation be obtained as part of the criminal records 491  
check. 492

(E) The superintendent of insurance may contract for the 493  
collection and transmission of fingerprints authorized under this 494  
section. The superintendent may order the fee for collecting and 495  
transmitting fingerprints to be payable directly to the contractor 496  
by the applicant. The superintendent may agree to a reasonable 497  
fingerprinting fee to be charged by the contractor. Any fee 498  
required under this section shall be paid by the applicant. 499

(F) The superintendent may receive criminal record 500  
information directly in lieu of the bureau of criminal 501  
identification and investigation that submitted the fingerprints 502  
to the federal bureau of investigation. 503

(G) The superintendent shall treat and maintain an 504  
applicant's fingerprints and any criminal record information 505

obtained under this section as confidential and shall apply 506  
security measures consistent with the criminal justice information 507  
services division of the federal bureau of investigation standards 508  
for the electronic storage of fingerprints and necessary 509  
identifying information and limit the use of records solely to the 510  
purposes authorized by this section. The fingerprints and any 511  
criminal record information are not subject to subpoena other than 512  
one issued pursuant to a criminal investigation, are confidential 513  
by law and privileged, are not subject to discovery, and are not 514  
admissible in any private civil action. 515

(H) This section does not apply to an agent applying for 516  
renewal of an existing resident or nonresident license in this 517  
state. 518

**Sec. 3905.06.** (A)(1) The superintendent of insurance shall 519  
issue a resident insurance agent license to an individual 520  
applicant whose home state is Ohio upon submission of a completed 521  
application and payment of any applicable fee required under this 522  
chapter, if the superintendent finds all of the following: 523

(a) The applicant is at least eighteen years of age. 524

(b) The applicant has not committed any act that is a ground 525  
for the denial, suspension, or revocation of a license under 526  
section 3905.14 of the Revised Code. 527

(c) If required under section 3905.04 of the Revised Code, 528  
the applicant has completed a program of insurance education for 529  
each line of authority for which the applicant has applied. 530

(d) If required under section 3905.04 of the Revised Code, 531  
the applicant has passed an examination for each line of authority 532  
for which the applicant has applied. 533

(e) Any applicant applying for variable life-variable annuity 534  
line of authority is registered with the financial industry 535

regulatory authority (FINRA) as a registered representative after 536  
having passed at least one of the following examinations 537  
administered by the FINRA: the series 6 examination, the series 7 538  
examination, the series 63 examination, the series 66 examination, 539  
or any other FINRA examination approved by the superintendent. 540

(f) If required under section 3905.051 of the Revised Code, 541  
the applicant has consented to a criminal records check and the 542  
results of the applicant's criminal records check are determined 543  
to be satisfactory by the superintendent. 544

(g) The applicant is a United States citizen or has provided 545  
proof of having legal authorization to work in the United States. 546

(h) The applicant is of good reputation and character, is 547  
honest and trustworthy, and is otherwise suitable to be licensed. 548

(2) The superintendent shall issue a resident insurance agent 549  
license to a business entity applicant upon submission of a 550  
completed application and payment of any applicable fees required 551  
under this chapter if the superintendent finds all of the 552  
following: 553

(a) The applicant either is domiciled in Ohio or maintains 554  
its principal place of business in Ohio. 555

(b) The applicant has designated a licensed insurance agent 556  
who will be responsible for the applicant's compliance with the 557  
insurance laws of this state. 558

(c) The applicant has not committed any act that is a ground 559  
for the denial, suspension, or revocation of a license under 560  
section 3905.14 of the Revised Code. 561

(d) The applicant has submitted any other documents requested 562  
by the superintendent. 563

(B) An insurance agent license issued pursuant to division 564  
(A) of this section shall state the licensee's name, the license 565

number, the date of issuance, the date the license expires, the 566  
line or lines of authority for which the licensee is qualified, 567  
and any other information the superintendent deems necessary. 568

A licensee may be qualified for any of the following lines of 569  
authority: 570

(1) Life, which is insurance coverage on human lives, 571  
including benefits of endowment and annuities, and may include 572  
benefits in the event of death or dismemberment by accident and 573  
benefits for disability income; 574

(2) Accident and health, which is insurance coverage for 575  
sickness, bodily injury, or accidental death, and may include 576  
benefits for disability income; 577

(3) Property, which is insurance coverage for the direct or 578  
consequential loss or damage to property of any kind; 579

(4) Casualty, which is insurance coverage against legal 580  
liability, including coverage for death, injury, or disability or 581  
damage to real or personal property; 582

~~(5) Variable life and variable annuity products, which is 583  
insurance coverage provided under variable life insurance 584  
contracts and variable annuities; 585~~

~~(6) Personal lines, which is property and casualty insurance 586  
coverage sold to individuals and families for noncommercial 587  
purposes; 588~~

(6) Variable life and variable annuity products, which is 589  
insurance coverage provided under variable life insurance 590  
contracts and variable annuities; 591

(7) Credit, which is limited line credit insurance; 592

(8) Title, which is insurance coverage against loss or damage 593  
suffered by reason of liens against, encumbrances upon, defects 594  
in, or the unmarketability of, real property; 595

(9) Surety bail bond, which is the authority set forth in 596  
sections 3905.83 to 3905.95 of the Revised Code; 597

(10) Any other line of authority designated by the 598  
superintendent. 599

(C) ~~A~~ (1) An individual seeking to renew a resident insurance 600  
agent license shall be perpetual unless surrendered by the 601  
licensee or suspended or revoked by the superintendent apply 602  
biennially for a renewal of the license on or before the last day 603  
of the licensee's birth month. A business entity seeking to renew 604  
a resident insurance agent license shall apply biennially for a 605  
renewal of the license on or before the date determined by the 606  
superintendent. The superintendent shall send a renewal notice to 607  
all licensees at least one month prior to the renewal date. 608

Applications shall be submitted to the superintendent on 609  
forms prescribed by the superintendent. Each application shall be 610  
accompanied by a biennial renewal fee. The superintendent also may 611  
require an applicant to submit any document reasonably necessary 612  
to verify the information contained in the renewal application. 613

(2) To be eligible for renewal, an individual applicant shall 614  
complete the continuing education requirements pursuant to section 615  
3905.481 of the Revised Code prior to the renewal date. 616

(3) If an applicant submits a completed renewal application, 617  
qualifies for renewal pursuant to divisions (C)(1) and (2) of this 618  
section, and has not committed any act that is a ground for the 619  
refusal to issue, suspension of, or revocation of a license under 620  
section 3905.14 of the Revised Code, the superintendent shall 621  
renew the applicant's resident insurance agent license. 622

(D) If an individual or business entity does not apply for 623  
the renewal of the individual or business entity's license on or 624  
before the license renewal date specified in division (C)(1) of 625  
this section, the individual or business entity may submit a late 626

renewal application along with all applicable fees required under 627  
this chapter prior to the first day of the second month following 628  
the license renewal date. 629

(E) A license issued under this section that is not renewed 630  
on or before its renewal date pursuant to division (C) of this 631  
section or its late renewal date pursuant to division (D) of this 632  
section automatically is suspended for nonrenewal on the first day 633  
of the second month following the renewal date. If a license is 634  
suspended for nonrenewal pursuant to this division, the individual 635  
or business entity is eligible to apply for reinstatement of the 636  
license within the twelve-month period following the date by which 637  
the license should have been renewed by complying with the 638  
reinstatement procedure established by the superintendent and 639  
paying all applicable fees required under this chapter. 640

(F) A license that is suspended for nonrenewal that is not 641  
reinstated pursuant to division (E) of this section automatically 642  
is canceled unless the superintendent is investigating any 643  
allegations of wrongdoing by the agent or has initiated 644  
proceedings under Chapter 119. of the Revised Code. In that case, 645  
the license automatically is canceled after the completion of the 646  
investigation or proceedings unless the superintendent revokes the 647  
license. 648

(G) An individual licensed as a resident insurance agent who 649  
is unable to comply with the license renewal procedures 650  
established under this section and who is unable to engage in the 651  
business of insurance due to military service, a long-term medical 652  
disability, or some other extenuating circumstance may request an 653  
extension of the renewal date of the individual's license. To be 654  
eligible for such an extension, the individual shall submit a 655  
written request with supporting documentation to the 656  
superintendent. At the superintendent's discretion, the 657  
superintendent may not consider a written request made after the 658

renewal date of the license. 659

**Sec. 3905.061.** (A) If a person licensed as an insurance agent 660  
under section 3905.06 of the Revised Code changes the person's 661  
address within the state, the person shall, within thirty days 662  
after making that change, file a change of address with the 663  
superintendent of insurance or the superintendent's designee. 664

(B)(1) If a person licensed as an insurance agent under 665  
section 3905.06 of the Revised Code changes the person's home 666  
~~state of residence~~, the person shall, within thirty days after 667  
making that change, file a change of address with the 668  
superintendent and provide the superintendent with certification 669  
from the new home state ~~of residence.~~ 670

(2) If ~~an~~ a resident insurance agent complies with division 671  
(B)(1) of this section and the agent is in good standing with the 672  
superintendent, the agent's license shall be changed to that of a 673  
nonresident license and no fee or license application shall be 674  
required. A change in the residency status of an insurance agent 675  
license under this section does not change the license renewal 676  
date established by the initial licensure under section 3905.06 of 677  
the Revised Code. 678

**Sec. 3905.07.** (A) The superintendent of insurance shall issue 679  
a nonresident insurance agent license to an applicant that is a 680  
nonresident person upon payment of all applicable fees required 681  
under this chapter if the superintendent finds all of the 682  
following: 683

(1) The applicant is currently licensed as a resident and is 684  
in good standing in the applicant's home state. 685

(2) The applicant ~~has submitted the request for licensure~~ 686  
~~prescribed by the superintendent~~ is licensed in the applicant's 687  
home state for the lines of authority requested in this state. 688

(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 applicable uniform application ~~or uniform business entity application, as applicable.~~

(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.

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

(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.

(7) If the applicant is a business entity, the applicant has designated an insurance agent licensed as an agent in this state to be responsible for the applicant's compliance with the insurance laws of this state.

(8) The applicant has submitted any other documents requested by the superintendent.

(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.

(C) ~~A~~ (1) An individual seeking to renew a nonresident insurance agent license shall be perpetual unless surrendered by the licensee or suspended or revoked by the superintendent apply biennially for a renewal of the license on or before the last day of the licensee's birth month. A business entity seeking to renew a nonresident insurance agent license shall apply biennially for a



renewal of the license on or before the date determined by the 720  
superintendent. 721

Applications shall be submitted to the superintendent on 722  
forms prescribed by the superintendent. Each application shall be 723  
accompanied by a biennial renewal fee. The superintendent also may 724  
require an applicant to submit any document reasonably necessary 725  
to verify the information contained in the renewal application. 726

(2) To be eligible for renewal, an applicant shall maintain a 727  
resident license in the applicant's home state for the lines of 728  
authority held in this state. 729

(3) If an applicant submits a completed renewal application, 730  
qualifies for renewal pursuant to divisions (C)(1) and (2) of this 731  
section, and has not committed any act that is a ground for the 732  
refusal to issue, suspension of, or revocation of a license under 733  
section 3905.14 of the Revised Code, the superintendent shall 734  
renew the applicant's nonresident insurance agent license. 735

(D) If an individual or business entity does not apply for 736  
the renewal of the individual or business entity's license on or 737  
before the license renewal date specified in division (C)(1) of 738  
this section, the individual or business entity may submit a late 739  
renewal application along with all applicable fees required under 740  
this chapter prior to the first day of the second month following 741  
the license renewal date. 742

(E) A license issued under this section that is not renewed 743  
on or before its renewal date pursuant to division (C) of this 744  
section or its late renewal date pursuant to division (D) of this 745  
section automatically is suspended for nonrenewal on the first day 746  
of the second month following the renewal date. If a license is 747  
suspended for nonrenewal pursuant to this division, the individual 748  
or business entity is eligible to apply for a reinstatement of the 749  
license within the twelve-month period following the date by which 750

the license should have been renewed by complying with the 751  
reinstatement procedure established by the superintendent and 752  
paying all applicable fees required under this chapter. 753

(F) A license that is suspended for nonrenewal that is not 754  
reinstated pursuant to division (E) of this section automatically 755  
is canceled unless the superintendent is investigating any 756  
allegations of wrongdoing by the agent or has initiated 757  
proceedings under Chapter 119. of the Revised Code. In that case, 758  
the license automatically is canceled after the completion of the 759  
investigation or proceedings unless the superintendent revokes the 760  
license. 761

(G) An individual licensed as a nonresident insurance agent 762  
who is unable to comply with the license renewal procedures 763  
established under this section and who is unable to engage in the 764  
business of insurance due to military service, a long-term medical 765  
disability, or some other extenuating circumstance may request an 766  
extension of the renewal date of the individual's license. To be 767  
eligible for such an extension, the individual shall submit a 768  
written request with supporting documentation to the 769  
superintendent. At the superintendent's discretion, the 770  
superintendent may not consider a written request made after the 771  
renewal date of the license. 772

~~(D)~~(H) Notwithstanding any other provision of this chapter, a 773  
nonresident person licensed as a surplus lines producer in the 774  
applicant's home state shall receive a nonresident surplus lines 775  
broker license pursuant to division (A) of this section. Nothing 776  
in this section otherwise affects or supersedes any provision of 777  
sections 3905.30 to 3905.37 of the Revised Code. 778

**Sec. 3905.071.** (A)(1) If a nonresident person licensed as a 779  
nonresident insurance agent under section 3905.07 of the Revised 780  
Code changes the person's address within the person's state of 781

residence, the person shall, within thirty days after making that 782  
change, file a change of address with the superintendent of 783  
insurance or the superintendent's designee. 784

(2) If a nonresident person licensed as a nonresident 785  
insurance agent under section 3905.07 of the Revised Code changes 786  
the person's home state ~~of residence or the state in which the~~ 787  
~~person's principal place of business is located~~, the person shall, 788  
within thirty days after making that change, file a change of 789  
address with the superintendent and provide the superintendent 790  
with certification from the ~~new state of residence or the new~~ home 791  
state ~~in which the principal place of business is located.~~ 792

(B) If a nonresident insurance agent complies with division 793  
(A) of this section and the agent is in good standing with the 794  
superintendent, no fee or license application shall be required. A 795  
change in the residency status of an agent's license under this 796  
section does not change the license renewal date established by 797  
the initial license under section 3905.07 of the Revised Code. 798

**Sec. 3905.12.** (A) The superintendent of insurance may adopt 799  
rules in accordance with Chapter 119. of the Revised Code to do 800  
the following: 801

(1) Establish procedures for the issuance ~~and~~, renewal, late 802  
renewal, extension, reactivation, and reinstatement of insurance 803  
agent licenses; 804

(2) Provide for the issuance and renewal of limited authority 805  
licenses, and establish any prelicensing education, examination, 806  
or continuing education requirements the superintendent considers 807  
appropriate for such a license; 808

(3) Establish a schedule of fees to be paid to the 809  
superintendent for extensions, late renewals, reinstatements, and 810  
reactivations of a license under this chapter and for credit card 811

payments, electronic processing service, and manual processing 812  
service. Fees collected under this section shall be credited to 813  
the department of insurance operating fund created under section 814  
3901.021 of the Revised Code. 815

(B) To assist the superintendent in carrying out the 816  
superintendent's duties under this chapter, the superintendent may 817  
contract with any nongovernmental entity, including the NAIC and 818  
its affiliates or subsidiaries, to perform any ministerial 819  
function related to insurance agent licensing, including the 820  
collection of fees, that the superintendent considers to be 821  
appropriate. 822

**Sec. 3905.14.** (A) As used in sections 3905.14 to 3905.16 of 823  
the Revised Code: 824

(1) "Insurance agent" includes a limited lines insurance 825  
agent, surety bail bond agent, and surplus line broker. 826

(2) "Refusal to issue or renew" means the decision of the 827  
superintendent of insurance not to process either the initial 828  
application for a license as an agent or the renewal of such a 829  
license. 830

(3) "Revocation" means the permanent termination of all 831  
authority to hold any license as an agent in this state. 832

(4) "Surrender for cause" means the voluntary termination of 833  
all authority to hold any license as an agent in this state, in 834  
lieu of a revocation or suspension order. 835

(5) "Suspension" means the termination of all authority to 836  
hold any license as an agent in this state, for either a specified 837  
period of time or an indefinite period of time and under any terms 838  
or conditions determined by the superintendent. 839

(B) The superintendent may suspend, revoke, or refuse to 840  
issue or renew any license of an insurance agent, assess a civil 841

penalty, or impose any other sanction or sanctions authorized	842
under this chapter, for one or more of the following reasons:	843
(1) Providing incorrect, misleading, incomplete, or	844
materially untrue information in a license or appointment	845
application;	846
(2) Violating or failing to comply with any insurance law,	847
rule, subpoena, consent agreement, or order of the superintendent	848
or of the insurance authority of another state;	849
(3) Obtaining, <u>maintaining</u> , or attempting to obtain <u>or</u>	850
<u>maintain</u> a license through misrepresentation or fraud;	851
(4) Improperly withholding, misappropriating, or converting	852
any money or property received in the course of doing insurance	853
business;	854
(5) Intentionally misrepresenting the terms, benefits, value,	855
cost, or effective dates of any actual or proposed insurance	856
contract or application for insurance;	857
(6) Having been convicted of <u>or pleaded guilty or no contest</u>	858
<u>to a felony regardless of whether a judgment of conviction has</u>	859
<u>been entered by the court;</u>	860
(7) Having been convicted of <u>or pleaded guilty or no contest</u>	861
<u>to a misdemeanor that involves the misuse or theft of money or</u>	862
property belonging to another, fraud, forgery, dishonest acts, or	863
breach of a fiduciary duty, that is based on any act or omission	864
relating to the business of insurance, securities, or financial	865
services, or that involves moral turpitude <u>regardless of whether a</u>	866
<u>judgment has been entered by the court;</u>	867
(8) Having admitted to committing, or having been found to	868
have committed, any insurance unfair trade act or practice or	869
insurance fraud;	870
(9) Using fraudulent, coercive, or dishonest practices, or	871

demonstrating incompetence, untrustworthiness, or financial	872
irresponsibility, in the conduct of business in this state or	873
elsewhere;	874
(10) Having an insurance agent license, or its equivalent,	875
denied, suspended, or revoked in any other state, province,	876
district, or territory;	877
(11) Forging or causing the forgery of an application for	878
insurance or any document related to or used in an insurance	879
transaction;	880
(12) Improperly using notes <del>or</del> any other reference material,	881
<u>equipment, or devices of any kind</u> to complete an examination for	882
an insurance agent license;	883
(13) Knowingly accepting insurance business from an	884
individual who is not licensed;	885
(14) Failing to comply with any <del>administrative or court order</del>	886
<u>official invoice, notice, assessment, or order</u> directing payment	887
of <u>federal, state, or local</u> income tax, <u>state or local sales tax,</u>	888
<u>or workers' compensation premiums</u> ;	889
(15) Failing to timely submit an application for insurance.	890
For purposes of division (B)(15) of this section, a submission is	891
considered timely if it occurs within the time period expressly	892
provided for by the insurer, or within seven days after the	893
insurance agent accepts a premium or an order to bind coverage	894
from a policyholder or applicant for insurance, whichever is	895
later.	896
(16) Failing to disclose to an applicant for insurance or	897
policyholder upon accepting a premium or an order to bind coverage	898
from the applicant or policyholder, that the person has not been	899
appointed by the insurer;	900
(17) Having any professional license <u>or financial industry</u>	901

regulatory authority registration suspended or revoked ~~as a result~~ 902  
~~of a~~ or having been barred from participation in any industry; 903

(18) Having been subject to a cease and desist order or 904  
permanent injunction related to mishandling of funds or breach of 905  
fiduciary responsibilities or ~~having been subject to a cease and~~ 906  
~~desist order or permanent injunction~~ for unlicensed or 907  
unregistered activities; 908

~~(18)~~(19) Causing or permitting a policyholder or applicant 909  
for insurance to designate the insurance agent or the insurance 910  
agent's spouse, parent, child, or sibling as the beneficiary of a 911  
policy or annuity sold by the insurance agent or of a policy or 912  
annuity for which the agent, at any time, was designated as the 913  
agent of record, unless the insurance agent or a relative of the 914  
insurance agent is the insured or applicant; 915

~~(19)~~(20) Causing or permitting a policyholder or applicant 916  
for insurance to designate the insurance agent or the insurance 917  
agent's spouse, parent, child, or sibling as the owner or 918  
beneficiary of a trust funded, in whole or in part, by a policy or 919  
annuity sold by the insurance agent or by a policy or annuity for 920  
which the agent, at any time, was designated as the agent of 921  
record, unless the insurance agent or a relative of the insurance 922  
agent is the insured or applicant; 923

(21) Failing to provide a written response to the department 924  
of insurance within twenty-one calendar days after receipt of any 925  
written inquiry from the department, unless a reasonable extension 926  
of time has been requested of, and granted by, the superintendent 927  
or the superintendent's designee; 928

~~(20)~~(22) Failing to appear to answer questions before the 929  
superintendent after being notified in writing by the 930  
superintendent of a scheduled interview, unless a reasonable 931  
extension of time has been requested of, and granted by, the 932

<u>superintendent or the superintendent's designee;</u>	933
(23) Transferring or placing insurance with an insurer other than the insurer expressly chosen by the applicant for insurance or policyholder without the consent of the applicant or policyholder or absent extenuating circumstances;	934 935 936 937
<del>(21)</del> (24) Failing to inform a policyholder or applicant for insurance of the identity of the insurer or insurers, or the identity of any other insurance agent or licensee known to be involved in procuring, placing, or continuing the insurance for the policyholder or applicant, upon the binding of the coverage;	938 939 940 941 942
<del>(22)</del> (25) In the case of an agent that is a business entity, failing to report an individual licensee's violation to the department when the violation was known or should have been known by one or more of the partners, officers, managers, or members of the business entity;	943 944 945 946 947
<del>(23)</del> (26) Submitting or using a document in the conduct of the business of insurance when the person knew or should have known that the document contained <u>the a writing that was forged signature of another person as defined in section 2913.01 of the Revised Code;</u>	948 949 950 951 952
<del>(24)</del> (27) <u>Misrepresenting the person's qualifications, status or relationship to another person, agency, or entity,</u> or using in any way a professional designation that has not been conferred upon the person by the appropriate accrediting organization;	953 954 955 956
<del>(25)</del> (28) Obtaining a premium loan <u>or policy surrender</u> or causing a premium loan <u>or policy surrender</u> to be made to or in the name of an insured <u>or policyholder</u> without that person's knowledge and written authorization;	957 958 959 960
<del>(26)</del> (29) 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	961 962 963



cause a reasonable person to believe that the licensee was acting 964  
on behalf of or otherwise representing the insurer; 965

~~(27)~~(30) Soliciting, procuring an application for, or 966  
placing, either directly or indirectly, any insurance policy when 967  
the person is not authorized under this chapter to engage in such 968  
activity; 969

~~(28)~~(31) Soliciting, ~~marketing, or~~ selling, or negotiating 970  
any product or service that offers benefits similar to insurance 971  
but is not regulated by the superintendent, without fully 972  
disclosing, orally and in writing, to the prospective purchaser 973  
that the product or service is not insurance and is not regulated 974  
by the superintendent; 975

~~(29)~~(32) Failing to fulfill a refund obligation to a 976  
policyholder or applicant in a timely manner. For purposes of 977  
division (B)~~(29)~~(32) of this section, a rebuttable presumption 978  
exists that a refund obligation is not fulfilled in a timely 979  
manner unless it is fulfilled within one of the following time 980  
periods: 981

(a) Thirty days after the date the policyholder, applicant, 982  
or insurer takes or requests action resulting in a refund; 983

(b) Thirty days after the date of the insurer's refund check, 984  
if the agent is expected to issue a portion of the total refund; 985

(c) Forty-five days after the date of the agent's statement 986  
of account on which the refund first appears. 987

The presumption may be rebutted by proof that the 988  
policyholder or applicant consented to the delay or agreed to 989  
permit the agent to apply the refund to amounts due for other 990  
coverages. 991

~~(30)~~(33) With respect to a surety bail bond agent license, 992  
rebating or offering to rebate, or unlawfully dividing or offering 993

to divide, any commission, <u>premium, or fee;</u>	994
<del>(31)</del> (34) Using a license for the principal purpose of	995
procuring, receiving, or forwarding applications for insurance of	996
any kind, other than life, or soliciting, placing, or effecting	997
such insurance directly or indirectly upon or in connection with	998
the property of the licensee or that of relatives, employers,	999
employees, or that for which they or the licensee is an agent,	1000
custodian, vendor, bailee, trustee, or payee;	1001
<del>(32)</del> (35) In the case of an insurance agent that is a business	1002
entity, using a life license for the principal purpose of	1003
soliciting or placing insurance on the lives of the business	1004
entity's officers, employees, or shareholders, or on the lives of	1005
relatives of such officers, employees, or shareholders, or on the	1006
lives of persons for whom they, their relatives, or the business	1007
entity is agent, custodian, vendor, bailee, trustee, or payee;	1008
<del>(33)</del> (36) Offering, selling, soliciting, or negotiating	1009
policies, contracts, agreements, or applications for insurance, or	1010
annuities providing fixed, variable, or fixed and variable	1011
benefits, or contractual payments, for or on behalf of any insurer	1012
or multiple employer welfare arrangement not authorized to	1013
transact business in this state, or for or on behalf of any	1014
spurious, fictitious, nonexistent, dissolved, inactive, liquidated	1015
or liquidating, or bankrupt insurer or multiple employer welfare	1016
arrangement;	1017
<u>(37) In the case of a resident business entity, failing to be</u>	1018
<u>qualified to do business in this state under Title XVII of the</u>	1019
<u>Revised Code, failing to be in good standing with the secretary of</u>	1020
<u>state, or failing to maintain a valid appointment of statutory</u>	1021
<u>agent with the secretary of state;</u>	1022
<u>(38) In the case of a nonresident agent, failing to maintain</u>	1023
<u>licensure as an insurance agent in the agent's home state for the</u>	1024

<u>lines of authority held in this state;</u>	1025
<u>(39) Knowingly aiding and abetting another person or entity</u>	1026
<u>in the violation of any insurance law of this state or the rules</u>	1027
<u>adopted under it.</u>	1028
(C) Before denying, revoking, suspending, or refusing to	1029
issue any license or imposing any penalty under this section, the	1030
superintendent shall provide the licensee or applicant with notice	1031
and an opportunity for hearing as provided in Chapter 119. of the	1032
Revised Code, except as follows:	1033
(1)(a) Any notice of opportunity for hearing, the hearing	1034
officer's findings and recommendations, or the superintendent's	1035
order shall be served by certified mail at the last known address	1036
of the licensee or applicant. Service shall be evidenced by return	1037
receipt signed by any person.	1038
For purposes of this section, the "last known address" is the	1039
residential address of a licensee or applicant, or the	1040
principal-place-of-business address of a business entity, that is	1041
contained in the licensing records of the department.	1042
(b) If the certified mail envelope is returned with an	1043
endorsement showing that service was refused, or that the envelope	1044
was unclaimed, the notice and all subsequent notices required by	1045
Chapter 119. of the Revised Code may be served by ordinary mail to	1046
the last known address of the licensee or applicant. The mailing	1047
shall be evidenced by a certificate of mailing. Service is deemed	1048
complete as of the date of such certificate provided that the	1049
ordinary mail envelope is not returned by the postal authorities	1050
with an endorsement showing failure of delivery. The time period	1051
in which to request a hearing, as provided in Chapter 119. of the	1052
Revised Code, begins to run on the date of mailing.	1053
(c) If service by ordinary mail fails, the superintendent may	1054
cause a summary of the substantive provisions of the notice to be	1055

published once a week for three consecutive weeks in a newspaper 1056  
of general circulation in the county where the last known place of 1057  
residence or business of the party is located. The notice is 1058  
considered served on the date of the third publication. 1059

(d) Any notice required to be served under Chapter 119. of 1060  
the Revised Code shall also be served upon the party's attorney by 1061  
ordinary mail if the attorney has entered an appearance in the 1062  
matter. 1063

(e) The superintendent may, at any time, perfect service on a 1064  
party by personal delivery of the notice by an employee of the 1065  
department. 1066

(f) Notices regarding the scheduling of hearings and all 1067  
other matters not described in division (C)(1)(a) of this section 1068  
shall be sent by ordinary mail to the party and to the party's 1069  
attorney. 1070

(2) Any subpoena for the appearance of a witness or the 1071  
production of documents or other evidence at a hearing, or for the 1072  
purpose of taking testimony for use at a hearing, shall be served 1073  
by certified mail, return receipt requested, by an attorney or by 1074  
an employee of the department designated by the superintendent. 1075  
Such subpoenas shall be enforced in the manner provided in section 1076  
119.09 of the Revised Code. Nothing in this section shall be 1077  
construed as limiting the superintendent's other statutory powers 1078  
to issue subpoenas. 1079

(D) If the superintendent determines that a violation 1080  
described in this section has occurred, the superintendent may 1081  
take one or more of the following actions: 1082

(1) Assess a civil penalty in an amount not exceeding 1083  
twenty-five thousand dollars per violation; 1084

(2) Assess administrative costs to cover the expenses 1085  
incurred by the department in the administrative action, including 1086

costs incurred in the investigation and hearing processes. Any 1087  
costs collected shall be paid into the state treasury to the 1088  
credit of the department of insurance operating fund created in 1089  
section 3901.021 of the Revised Code. 1090

(3) Suspend all of the person's licenses for all lines of 1091  
insurance for either a specified period of time or an indefinite 1092  
period of time and under such terms and conditions as the 1093  
superintendent may determine; 1094

(4) Permanently revoke all of the person's licenses for all 1095  
lines of insurance; 1096

(5) Refuse to issue a license; 1097

(6) Refuse to renew a license; 1098

(7) Prohibit the person from being employed in any capacity 1099  
in the business of insurance and from having any financial 1100  
interest in any insurance agency, company, surety bail bond 1101  
business, or third-party administrator in this state. The 1102  
superintendent may, in the superintendent's discretion, determine 1103  
the nature, conditions, and duration of such restrictions. 1104

(8) Order corrective actions in lieu of or in addition to the 1105  
other penalties listed in division (D) of this section. Such an 1106  
order may provide for the suspension of civil penalties, license 1107  
revocation, license suspension, or refusal to issue or renew a 1108  
license if the licensee complies with the terms and conditions of 1109  
the corrective action order. 1110

(9) Accept a surrender for cause offered by the licensee, 1111  
which shall be for at least five years and shall prohibit the 1112  
licensee from seeking any license authorized under this chapter 1113  
during that time period. A surrender for cause shall be in lieu of 1114  
revocation or suspension and may include a corrective action order 1115  
as provided in division (D)(8) of this section. 1116

(E) The superintendent may consider the following factors in denying a license, imposing suspensions, revocations, fines, or other penalties, and issuing orders under this section:	1117 1118 1119
(1) Whether the person acted in good faith;	1120
(2) Whether the person made restitution for any pecuniary losses suffered by other persons as a result of the person's actions;	1121 1122 1123
(3) The actual harm or potential for harm to others;	1124
(4) The degree of trust placed in the person by, and the vulnerability of, persons who were or could have been adversely affected by the person's actions;	1125 1126 1127
(5) Whether the person was the subject of any previous administrative actions by the superintendent;	1128 1129
(6) The number of individuals adversely affected by the person's acts or omissions;	1130 1131
(7) Whether the person voluntarily reported the violation, and the extent of the person's cooperation and acceptance of responsibility;	1132 1133 1134
(8) Whether the person obstructed or impeded, or attempted to obstruct or impede, the superintendent's investigation;	1135 1136
(9) The person's efforts to conceal the misconduct;	1137
(10) Remedial efforts to prevent future violations;	1138
(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;	1139 1140 1141 1142 1143 1144
(12) Such other factors as the superintendent determines to	1145

be appropriate under the circumstances. 1146

(F)(1) A violation described in division (B)(1), (2), (3), 1147  
(4), (5), (6), (7), (8), (9), (10), (11), (12), (13), (14), (16), 1148  
(17), (18), (19), (20), ~~(21)~~, (22), (23), (24), (25), (26), (27), 1149  
(28), (29), (30), (31), (32), ~~or~~ (33), (34), (35), and (36) of 1150  
this section is a class A offense for which the superintendent may 1151  
impose any penalty set forth in division (D) of this section. 1152

(2) A violation described in division (B)(15) or ~~(19)~~(21) of 1153  
this section, or a failure to comply with section 3905.061, 1154  
3905.071, or 3905.22 of the Revised Code, is a class B offense for 1155  
which the superintendent may impose any penalty set forth in 1156  
division (D)(1), (2), (8), or (9) of this section. 1157

(3) If the superintendent determines that a violation 1158  
described in division (B)~~(33)~~(36) of this section has occurred, 1159  
the superintendent shall impose a minimum of a two-year suspension 1160  
on all of the person's licenses for all lines of insurance. 1161

(G) If a violation described in this section has caused, is 1162  
causing, or is about to cause substantial and material harm, the 1163  
superintendent may issue an order requiring that person to cease 1164  
and desist from engaging in the violation. Notice of the order 1165  
shall be mailed by certified mail, return receipt requested, or 1166  
served in any other manner provided for in this section, 1167  
immediately after its issuance to the person subject to the order 1168  
and to all persons known to be involved in the violation. The 1169  
superintendent may thereafter publicize or otherwise make known to 1170  
all interested parties that the order has been issued. 1171

The notice shall specify the particular act, omission, 1172  
practice, or transaction that is subject to the cease-and-desist 1173  
order and shall set a date, not more than fifteen days after the 1174  
date of the order, for a hearing on the continuation or revocation 1175  
of the order. The person shall comply with the order immediately 1176

upon receipt of notice of the order. 1177

The superintendent may, upon the application of a party and 1178  
for good cause shown, continue the hearing. Chapter 119. of the 1179  
Revised Code applies to such hearings to the extent that that 1180  
chapter does not conflict with the procedures set forth in this 1181  
section. The superintendent shall, within fifteen days after 1182  
objections are submitted to the hearing officer's report and 1183  
recommendation, issue a final order either confirming or revoking 1184  
the cease-and-desist order. The final order may be appealed as 1185  
provided under section 119.12 of the Revised Code. 1186

The remedy under this division is cumulative and concurrent 1187  
with the other remedies available under this section. 1188

(H) If the superintendent has reasonable cause to believe 1189  
that an order issued under this section has been violated in whole 1190  
or in part, the superintendent may request the attorney general to 1191  
commence and prosecute any appropriate action or proceeding in the 1192  
name of the state against such person. 1193

The court may, in an action brought pursuant to this 1194  
division, impose any of the following: 1195

(1) For each violation, a civil penalty of not more than 1196  
twenty-five thousand dollars; 1197

(2) Injunctive relief; 1198

(3) Restitution; 1199

(4) Any other appropriate relief. 1200

(I) With respect to a surety bail bond agent license: 1201

(1) Upon the suspension or revocation of a license, or the 1202  
eligibility of a surety bail bond agent to hold a license, the 1203  
superintendent likewise may suspend or revoke the license or 1204  
eligibility of any surety bail bond agent who is employed by or 1205  
associated with that agent and who knowingly was a party to the 1206



act that resulted in the suspension or revocation. 1207

(2) The superintendent may revoke a license as a surety bail 1208  
bond agent if the licensee is adjudged bankrupt. 1209

(J) Nothing in this section shall be construed to create or 1210  
imply a private cause of action against an agent or insurer. 1211

**Sec. 3905.16.** (A)(1) Except as provided in division (A)(2) of 1212  
this section, any person licensed as an agent under this chapter 1213  
may at any time surrender any or all licenses held by the person. 1214  
1215

(2) No agent shall surrender the agent's licenses if the 1216  
superintendent of insurance is investigating any allegation of 1217  
wrongdoing by the agent or has initiated proceedings under Chapter 1218  
119. of the Revised Code and notice of an opportunity for a 1219  
hearing has been issued to the agent, and any attempt to so 1220  
surrender is invalid. 1221

(B)(1) If an agent's license is surrendered, revoked, ~~or~~ 1222  
suspended, canceled, or inactivated by request, all appointments 1223  
held by the agent are void. If a new license is issued to that 1224  
person or if that person's previous license is reinstated or 1225  
renewed, any appointment of the person to represent an insurer 1226  
must be made in accordance with the requirements of this chapter. 1227

(2) If an agent's license is surrendered, revoked, or 1228  
canceled and the person wishes to apply for a new license, the 1229  
person shall apply as a new agent and shall satisfy all 1230  
requirements for a new agent license including, if applicable, 1231  
submitting to a criminal records check under section 3905.051 of 1232  
the Revised Code. 1233

(C)(1) Any agent, other than a business entity, who is no 1234  
longer engaged in the business of insurance in any capacity for 1235  
which an agent's license is required may apply to the 1236

superintendent for inactive status. The superintendent may grant 1237  
such status only if the superintendent is satisfied that the 1238  
person is not engaged in and does not intend to engage in any of 1239  
the activities set forth in section 3905.02 of the Revised Code 1240  
that requires an agent's license. 1241

(2) A person who has been granted inactive status is exempt 1242  
from any continuing education requirements imposed under this 1243  
chapter. 1244

(3) The superintendent may adopt rules in accordance with 1245  
Chapter 119. of the Revised Code to establish procedures for 1246  
applying for inactive status, criteria used to determine 1247  
eligibility for such status, and standards and procedures for 1248  
transferring from inactive to active status. 1249

(D) The superintendent may suspend or revoke a license, or 1250  
take any other disciplinary action authorized by this chapter, 1251  
regardless of whether the person is appointed or otherwise 1252  
authorized to represent an insurer or agent. 1253

**Sec. 3905.20.** (A) An insurance agent shall not act as an 1254  
agent of an insurer unless the insurance agent is appointed as an 1255  
agent of the insurer. An insurance agent who does not act as an 1256  
agent of an insurer shall not be required to be appointed as an 1257  
agent of the insurer. 1258

For purposes of this division, an insurance agent acts as an 1259  
agent of an insurer when the insurance agent sells, solicits, or 1260  
negotiates any product of the insurer and is compensated ~~directly~~ 1261  
by the insurer. 1262

(B)(1) To appoint an insurance agent as its agent, an insurer 1263  
shall file a notice of appointment with the superintendent of 1264  
insurance not later than thirty days after the date the agency 1265  
contract is executed or the first insurance application is 1266

submitted, whichever is earlier. The notice of appointment shall 1267  
be provided in the manner prescribed by the superintendent. 1268

Each insurer shall pay to the superintendent a fee of ~~twenty~~ 1269  
~~dollars~~ pursuant to division (A) of section 3905.40 of the Revised 1270  
Code for every such appointment when issued and for each 1271  
continuance thereafter. Such an appointment, unless canceled by 1272  
the insurer, may be continued in force past the thirtieth day of 1273  
June next after its issue and after the thirtieth day of June of 1274  
each succeeding year, unless a different date is determined by the 1275  
superintendent. 1276

A separate appointment and fee are required for a variable 1277  
life and variable annuity products line of authority. 1278

(2) By appointing an insurance agent, an insurer certifies to 1279  
the superintendent that the person is competent, financially 1280  
responsible, and suitable to represent the insurer. 1281

(3) While an appointment remains in force, an insurer shall 1282  
be bound by the acts of the person named in the appointment within 1283  
that person's actual and apparent authority as its agent. 1284

(C) The superintendent may, in accordance with Chapter 119. 1285  
of the Revised Code, adopt rules to establish appointment 1286  
procedures, including cancellations and renewals, to clarify the 1287  
circumstances that require an appointment, and to provide for the 1288  
appointment of insurance agents to some or all of the insurers 1289  
within an insurer's holding company system or group. 1290

**Sec. 3905.30.** The superintendent of insurance may issue a 1291  
surplus line broker's license to any natural person who is a 1292  
resident of this or any other state or to a business entity that 1293  
is organized under the laws of this or any other state. To be 1294  
eligible for a resident surplus line broker's license, a person 1295  
must have both a property license and a casualty license. A To be 1296

eligible for a nonresident surplus line broker's license, a person 1297  
must hold an active surplus line broker license in the person's 1298  
home state. A nonresident surplus line broker shall obtain a 1299  
nonresident license with a property and casualty line of authority 1300  
in this state if the broker is or will be personally performing 1301  
the due diligence requirements under section 3905.33 of the 1302  
Revised Code. 1303

A surplus line broker's license permits the person named in 1304  
the license to negotiate for and obtain insurance, other than life 1305  
insurance, on property or persons in this state from insurers not 1306  
authorized to transact business in this state. Each such license 1307  
expires on the thirty-first day of January next after the year in 1308  
which it is issued, and may be then renewed. 1309

**Sec. 3905.35.** Before ~~receiving~~ an applicant receives a 1310  
resident license under section 3905.30 of the Revised Code, the 1311  
person named in the license shall execute and deliver to the 1312  
superintendent of insurance a bond in the sum of twenty-five 1313  
thousand dollars, payable to the state and conditioned that the 1314  
person will faithfully comply with sections 3905.30 to 3905.35 of 1315  
the Revised Code. The bond required by this section shall be 1316  
issued by an insurance company authorized to transact surety 1317  
business in this state, be on a form prescribed by the 1318  
superintendent, and be deposited with the superintendent and kept 1319  
in the superintendent's office. 1320

**Sec. 3905.36.** (A) Except as provided in divisions (B) and (C) 1321  
of this section, every insured association, company, corporation, 1322  
or other person that enters, directly or indirectly, into any 1323  
agreements with any insurance company, association, individual, 1324  
firm, underwriter, or Lloyd's, not authorized to do business in 1325  
this state, whereby the insured shall procure, continue, or renew 1326  
contracts of insurance covering subjects of insurance resident, 1327

located, or to be performed within this state, with such 1328  
unauthorized insurance company, association, individual, firm, 1329  
underwriter, or Lloyd's, for which insurance there is a gross 1330  
premium, membership fee, assessment, dues, or other consideration 1331  
charged or collected, shall annually, on or before the 1332  
thirty-first day of ~~January~~ March, return to the superintendent of 1333  
insurance a statement under oath showing the name and address of 1334  
the insured, name and address of the insurer, subject of the 1335  
insurance, general description of the coverage, and amount of 1336  
gross premium, fee, assessment, dues, or other consideration for 1337  
such insurance for the preceding ~~twelve-month period~~ calendar year 1338  
and shall at the same time pay to the treasurer of state a tax of 1339  
five per cent of such gross premium, fee, assessment, dues, or 1340  
other consideration, after a deduction for return premium, if any, 1341  
as calculated on a form prescribed by the treasurer of state. All 1342  
taxes collected under this section by the treasurer of state shall 1343  
be paid into the general revenue fund. If the tax is not paid when 1344  
due, the tax shall be increased by a penalty of twenty-five per 1345  
cent. An interest charge computed as set forth in section 5725.221 1346  
of the Revised Code shall be made on the entire sum of the tax 1347  
plus penalty, which interest shall be computed from the date the 1348  
tax is due until it is paid. For purposes of this section, payment 1349  
is considered made when it is received by the treasurer of state, 1350  
irrespective of any United States postal service marking or other 1351  
stamp or mark indicating the date on which the payment may have 1352  
been mailed. 1353

(B) This section does not apply to: 1354

(1) Transactions in this state involving a policy solicited, 1355  
written, and delivered outside this state covering only subjects 1356  
of insurance not resident, located, or to be performed in this 1357  
state at the time of issuance, provided such transactions are 1358  
subsequent to the issuance of the policy; 1359

(2) Attorneys-at-law acting on behalf of their clients in the adjustment of claims or losses;	1360 1361
(3) Transactions involving policies issued by a captive insurer. For this purpose, a "captive insurer" means any of the following:	1362 1363 1364
(a) An insurer owned by one or more individuals or organizations, whose exclusive purpose is to insure risks of one or more of the parent organizations or individual owners and risks of one or more affiliates of the parent organizations or individual owners;	1365 1366 1367 1368 1369
(b) In the case of groups and associations, insurers owned by the group or association whose exclusive purpose is to insure risks of members of the group or association and affiliates of the members;	1370 1371 1372 1373
(c) Other types of insurers, licensed and operated in accordance with the captive insurance laws of their jurisdictions of domicile and operated in a manner so as to self-insure risks of their owners and insureds.	1374 1375 1376 1377
(4) Professional or medical liability insurance procured by a hospital organized under Chapter 3701. of the Revised Code;	1378 1379
(5) Insurance with an initial policy period of more than three years and that is procured to cover known events related to environmental remediation that occurred prior to the effective date of that insurance;	1380 1381 1382 1383
(6) Insurance procured on behalf of an entity that manufactures, packages, and sells, as more than fifty per cent of the entity's business, pharmaceutical products for human use where the production, packaging, and sale of such products are subject to regulation by an agency of the United States.	1384 1385 1386 1387 1388
(C) In transactions that are subject to sections 3905.30 to	1389

3905.35 of the Revised Code, each person licensed under section 1390  
3905.30 of the Revised Code shall pay to the treasurer of state, 1391  
on or before the thirty-first day of ~~January~~ March of each year, 1392  
five per cent of the balance of the gross premiums charged for 1393  
insurance placed or procured under the license after a deduction 1394  
for return premiums, as reported on a form prescribed by the 1395  
treasurer of state. The tax shall be collected from the insured by 1396  
the surplus line broker who placed or procured the policy of 1397  
insurance at the time the policy is delivered to the insured. No 1398  
license issued under section 3905.30 of the Revised Code shall be 1399  
renewed until payment is made. If the tax is not paid when due, 1400  
the tax shall be increased by a penalty of twenty-five per cent. 1401  
An interest charge computed as set forth in section 5725.221 of 1402  
the Revised Code shall be made on the entire sum of the tax plus 1403  
penalty, which interest shall be computed from the date the tax is 1404  
due until it is paid. For purposes of this section, payment is 1405  
considered made when it is received by the treasurer of state, 1406  
irrespective of any United States postal service marking or other 1407  
stamp or mark indicating the date on which the payment may have 1408  
been mailed. 1409

**Sec. 3905.40.** There shall be paid to the superintendent of 1410  
insurance the following fees: 1411

(A) Each insurance company doing business in this state shall 1412  
pay: 1413

(1) For filing a copy of its charter or deed of settlement, 1414  
two hundred fifty dollars; 1415

(2) For filing each statement, one hundred seventy-five 1416  
dollars; 1417

(3) For each certificate of authority or license, one hundred 1418  
seventy-five, and for each certified copy thereof, five dollars; 1419

(4) For each copy of a paper filed in the superintendent's office, twenty cents per page;	1420 1421
(5) For issuing certificates of deposits or certified copies thereof, five dollars for the first certificate or copy and one dollar for each additional certificate or copy;	1422 1423 1424
(6) For issuing certificates of compliance or certified copies thereof, sixty dollars;	1425 1426
(7) For affixing the seal of office and certifying documents, other than those enumerated herein, two dollars;	1427 1428
<u>(8) For each agent appointment and each annual renewal of an agent appointment, twenty dollars;</u>	1429 1430
<u>(9) For each termination of an agent appointment, five dollars.</u>	1431 1432
(B) Each domestic life insurance company doing business in this state shall pay for annual valuation of its policies, one cent on every one thousand dollars of insurance.	1433 1434 1435
(C) Each applicant for licensure as an <del>individual</del> insurance agent except applicants for licensure as <del>limited lines insurance</del> <u>surety bail bond</u> agents and surplus line brokers shall pay ten dollars for each line of authority requested. Fees collected under this division shall be credited to the department of insurance operating fund created in section 3901.021 of the Revised Code.	1436 1437 1438 1439 1440 1441
(D) Each domestic mutual life insurance company shall pay for verifying that any amendment to its articles of incorporation was regularly adopted, two hundred fifty dollars with each application 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.	1442 1443 1444 1445 1446 1447 1448 1449



(E) Each insurance agent doing business in this state shall 1450  
pay a biennial license renewal fee of twenty-five dollars, except 1451  
the following insurance agents are not required to pay the license 1452  
renewal fee: 1453

(1) Individual resident agents who have met their continuing 1454  
education requirements under section 3905.481 of the Revised Code; 1455

(2) Surety bail bond agents; 1456

(3) Surplus line brokers. 1457

(F) All fees collected by the superintendent under this 1458  
section except any fees collected under divisions (A)(2), (3), and 1459  
(6) of this section shall be credited to the department of 1460  
insurance operating fund created under section 3901.021 of the 1461  
Revised Code. 1462

**Sec. 3905.41.** The superintendent of insurance may open an 1463  
account in the name of each insurance company authorized to do 1464  
business in this state and in the name of any authorized insurance 1465  
agent, and charge the accounts with all fees incurred by such 1466  
companies or agents in accordance with sections ~~3905.10~~, 3905.20, 1467  
3905.40, 3919.26, and 3931.03 of the Revised Code, and other 1468  
statutes imposing fees. The statutory fee for each service 1469  
requested shall be charged against the proper account immediately 1470  
upon the rendition of the service. 1471

Not later than the tenth day of each calendar month the 1472  
superintendent shall render an itemized statement to each company 1473  
or agent whose account has been charged during the month next 1474  
preceding, showing the amount of all fees charged during that 1475  
month and demanding that payment thereof be made not later than 1476  
the first day of the month next following. 1477

The failure of any insurance company within that time to pay 1478  
the amount of such fees in accordance with the monthly statement, 1479

or, if the statement or account is found to be incorrect, in 1480  
accordance with a corrected monthly statement rendered by the 1481  
superintendent, is grounds for the revocation of its certificate 1482  
of authority to do business in this state. In the event of such an 1483  
order of revocation, the superintendent shall immediately cause a 1484  
notice thereof to be published once in at least one newspaper at 1485  
the seat of the government and also, if a domestic company, once 1486  
in at least one newspaper published in the county where its home 1487  
office is located, or, if a foreign or alien company, once in at 1488  
least one newspaper published in a county of this state where an 1489  
agency of the company is located. After the publication of the 1490  
notice, no agent of the company shall procure applications for 1491  
insurance or issue policies. 1492

In the event of the failure of any agent within the time 1493  
fixed to pay the amount of fees charged against the agent's 1494  
account in accordance with the monthly statement rendered by the 1495  
superintendent, the agent's license may be revoked in the manner 1496  
provided by section 3905.14 of the Revised Code. 1497

**Sec. 3905.481.** ~~(A)(1) Except as provided in division (B) of~~ 1498  
~~this section, each person~~ Each individual who is issued a resident 1499  
insurance agent license ~~as an agent on or after the effective date~~ 1500  
~~of this amendment~~ shall complete ~~in accordance with division~~ 1501  
~~(A)(1) of this section~~ at least ~~twenty~~ twenty-four hours of 1502  
continuing education in each license renewal period. ~~The~~ 1503  
continuing education shall be offered in a course or program of 1504  
study approved by the superintendent of insurance in consultation 1505  
with the insurance agent education advisory council and shall 1506  
include at least three hours of approved ethics training. ~~The~~ 1507  
~~person shall complete the initial twenty hours of continuing~~ 1508  
~~education during a period not to exceed twenty four months~~ 1509  
~~commencing on the first day of January of the year immediately~~ 1510  
~~following the year of the issuance of the license and ending on~~ 1511

~~the thirty first day of December of the second year following the~~ 1512  
~~year of the issuance of the license. Thereafter, the person shall~~ 1513  
~~complete at least twenty hours of continuing education in every~~ 1514  
~~subsequent twenty four month period commencing on the first day of~~ 1515  
~~January and ending on the thirty first day of December of the~~ 1516  
~~following year.~~ 1517

~~(2) Except as provided in division (B) of this section, each~~ 1518  
~~person who, on the effective date of this amendment, holds a~~ 1519  
~~license as an agent issued prior to that date shall complete~~ 1520  
~~during that person's applicable twenty four month reporting~~ 1521  
~~period, at least twenty hours of continuing education offered in a~~ 1522  
~~course or program of study approved by the superintendent in~~ 1523  
~~consultation with the council. Thereafter, the person shall~~ 1524  
~~complete at least twenty hours of continuing education in every~~ 1525  
~~subsequent twenty four month period commencing on the first day of~~ 1526  
~~January and ending on the thirty first day of December of the~~ 1527  
~~following year.~~ 1528

~~(B) Division (A) of this This section does not apply to any~~ 1529  
~~person or class of persons, as determined by the superintendent in~~ 1530  
~~consultation with the council.~~ 1531

~~(C) A person may comply with division (A) of this section by~~ 1532  
~~demonstrating to the council that the person has completed the~~ 1533  
~~minimum number of hours required by that division in a~~ 1534  
~~substantially similar course or program of study offered in~~ 1535  
~~another state.~~ 1536

**Sec. 3905.483.** (A) There is hereby created the insurance 1537  
agent education advisory council to advise the superintendent of 1538  
insurance in carrying out the duties imposed under sections 1539  
3905.04 and 3905.481 to 3905.486 of the Revised Code. 1540

(B) The council shall be composed of the superintendent, or 1541  
the superintendent's designee, and twelve members appointed by the 1542

superintendent, as follows:	1543
(1) One representative of the association of Ohio life insurance companies;	1544 1545
(2) One representative of the independent insurance agents of Ohio;	1546 1547
(3) One representative of the Ohio association of health underwriters;	1548 1549
(4) One representative of the <del>Ohio</del> <u>national</u> association of <del>life underwriters</del> <u>insurance and financial advisors-Ohio</u> ;	1550 1551
(5) One representative of the Ohio insurance institute;	1552
(6) One representative of the professional insurance agents association of Ohio;	1553 1554
(7) One representative of the Ohio land title association;	1555
(8) Two insurance agents each of whom has been licensed continuously during the five-year period immediately preceding the agent's appointment;	1556 1557 1558
(9) One representative of an insurance company admitted to transact business in this state;	1559 1560
(10) Two representatives of consumers, one of whom shall be at least sixty years of age.	1561 1562
(C)(1) Of the initial eleven appointments made by the superintendent, three shall be for terms ending December 31, 1994, four shall be for terms ending December 31, 1995, and four shall be for terms ending December 31, 1996. Thereafter, terms of office shall be for three years, each term ending on the thirty-first day of December of the third year.	1563 1564 1565 1566 1567 1568
(2) The initial appointment of the twelfth member made by the superintendent under division (B)(7) of this section, pursuant to <u>Am.</u> Sub. S.B. 129 of the 124th general assembly, shall be for a	1569 1570 1571

term ending December 31, 2003. Thereafter, the term of office 1572  
shall be for three years, ending on the thirty-first day of 1573  
December of the third year. 1574

(D) Each member shall hold office from the date of 1575  
appointment until the end of the term for which the member was 1576  
appointed. Any member appointed to fill a vacancy occurring prior 1577  
to the expiration of the term for which the member's predecessor 1578  
was appointed shall hold office for the remainder of such term. 1579  
Any member shall continue in office subsequent to the expiration 1580  
date of the member's term until the member's successor takes 1581  
office, or until a period of sixty days has elapsed, whichever 1582  
occurs first. A vacancy shall be filled in the same manner as the 1583  
original appointment. 1584

(E) Initial appointments to the council shall be made no 1585  
later than thirty days after April 16, 1993. The initial 1586  
appointment of the twelfth member to the council under division 1587  
(B)(7) of this section, pursuant to Am. Sub. S.B. 129 of the 124th 1588  
general assembly, shall be made no later than December 31, 2002. 1589

(F) Any member is eligible for reappointment. The 1590  
superintendent, after notice and opportunity for a hearing, may 1591  
remove for cause any member the superintendent appoints. 1592

(G) The superintendent or the superintendent's designee shall 1593  
serve as chairperson of the council. Meetings shall be held upon 1594  
the call of the chairperson and as may be provided by procedures 1595  
adopted by the superintendent. Seven members of the council 1596  
constitute a quorum. 1597

(H) Each member shall receive mileage and necessary and 1598  
actual expenses while engaged in the business of the council. 1599

**Sec. 3905.484.** (A) The superintendent of insurance, in 1600  
consultation with the insurance agent education advisory council, 1601

shall establish criteria for any course or program of study that 1602  
is offered in this state under section 3905.04 or sections 1603  
3905.481 to 3905.486 of the Revised Code. 1604

(B) No course or program of study shall be offered in this 1605  
state under section 3905.04 or sections 3905.481 to 3905.486 of 1606  
the Revised Code unless it is approved by the superintendent in 1607  
consultation with the council. 1608

(C) A course or program of study offered in this state under 1609  
section 3905.04 or sections 3905.481 to 3905.486 of the Revised 1610  
Code shall be developed or sponsored only by one of the following: 1611

(1) An insurance company admitted to transact business in 1612  
this state; 1613

(2) An accredited college or university; 1614

(3) An insurance trade association; 1615

(4) An independent program of instruction that is approved by 1616  
the superintendent in consultation with the council; 1617

(5) Any institution as defined in section 1713.01 of the 1618  
Revised Code that holds a certificate of authorization issued by 1619  
the Ohio board of regents under Chapter 1713. of the Revised Code 1620  
or is exempt under that chapter from the requirements for a 1621  
certificate of authorization. 1622

~~(D) Any person who teaches any approved course or program of 1623  
study qualifies for the same number of classroom hours as would be 1624  
granted to any person who takes and successfully completes that 1625  
course or program. 1626~~

**Sec. 3905.841.** The following persons or classes of persons 1627  
shall not act as surety bail bond agents or employees of a surety 1628  
bail bond agent or bail bond business and shall not directly or 1629  
indirectly receive any benefits from the execution of a bail bond, 1630  
except as a principal: 1631

(A) Jailers or other persons employed in a detention facility, as defined in section 2921.01 of the Revised Code; 1632  
1633

(B) Prisoners incarcerated in any jail, prison, or any other place used for the incarceration of persons; 1634  
1635

(C) Peace officers as defined in section 2921.51 of the Revised Code, including volunteer or honorary peace officers, or other employees of a law enforcement agency; 1636  
1637  
1638

~~(C)~~(D) Committing magistrates, judges, employees of a court, or employees of the clerk of any court; 1639  
1640

~~(D)~~(E) Attorneys or any person employed at an attorney's office; 1641  
1642

~~(E)~~(F) Any other persons having the power to arrest, or persons who have authority over or control of, federal, state, county, or municipal corporation prisoners. 1643  
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1645

**Sec. 3905.85.** (A) ~~An applicant~~ (1) An individual who applies 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. 1646  
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~~The~~ (2) An applicant for an individual resident license shall also ~~request~~ submit to 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.~~ 1654  
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~~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 pursuant to section 3905.051  
of the Revised Code.~~ 1662  
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~~An applicant for a license shall submit to an examination as  
to the qualifications set forth in division (B) of this section.~~ 1669  
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~~(B)(1) The superintendent of insurance shall issue to an  
applicant a an individual resident license that states in  
substance that the person is authorized to do the business of a  
surety bail bond agent, if the superintendent is satisfied that  
all of the following apply:~~ 1671  
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~~+1)(a) The applicant is eighteen years of age or older.~~ 1676

~~+2)(b) The applicant's home state is Ohio.~~ 1677

~~(c) The applicant is a person of high character and  
integrity.~~ 1678  
1679

~~+3)(d) The applicant has not committed any act that is  
grounds for the refusal to issue, suspension of, or revocation of  
a license under section 3905.14 of the Revised Code.~~ 1680  
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~~(e) The applicant is a United States citizen or has provided  
proof of having legal authorization to work in the United States.~~ 1683  
1684

~~(f) The applicant has successfully completed the educational  
requirements set forth in section 3905.04 of the Revised Code and  
passed the examination required by that section.~~ 1685  
1686  
1687

~~(2) The superintendent shall issue to an applicant an  
individual nonresident license that states in substance that the  
person is authorized to do the business of a surety bail bond  
agent, if the superintendent is satisfied that all of the~~ 1688  
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1691



<u>following apply:</u>	1692
<u>(a) The applicant is eighteen years of age or older.</u>	1693
<u>(b) The applicant is currently licensed as a resident in another state and is in good standing in the applicant's home state for surety bail bond or is qualified for the same authority.</u>	1694 1695 1696
<u>(c) The applicant is a person of high character and integrity.</u>	1697 1698
<u>(d) The applicant has not committed any act that is grounds for the refusal to issue, suspension of, or revocation of a license under section 3905.14 of the Revised Code.</u>	1699 1700 1701
<u>(3) The superintendent shall issue an applicant a resident business entity license that states in substance that the person is authorized to do the business of a surety bail bond agent if the superintendent is satisfied that all of the following apply:</u>	1702 1703 1704 1705
<u>(a) The applicant has submitted an application for the license in a manner prescribed by the superintendent and the one-hundred-fifty-dollar application fee.</u>	1706 1707 1708
<u>(b) The applicant either is domiciled in this state or maintains its principal place of business in this state.</u>	1709 1710
<u>(c) The applicant has designated an individual licensed surety bail bond agent who will be responsible for the applicant's compliance with the insurance laws of this state.</u>	1711 1712 1713
<u>(d) The applicant has not committed any act that is grounds for the refusal to issue, suspension of, or revocation of a license under section 3905.14 of the Revised Code.</u>	1714 1715 1716
<u>(e) The applicant is authorized to do business in this state by the secretary of state if so required under the applicable provisions of Title XVII of the Revised Code.</u>	1717 1718 1719
<u>(f) The applicant has submitted any other documents requested by the superintendent.</u>	1720 1721

(4) The superintendent shall issue an applicant a nonresident business entity license that states in substance that the person is authorized to do the business of a surety bail bond agent if the superintendent is satisfied that all of the following apply: 1722  
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(a) The applicant has submitted an application for the license in a manner prescribed by the superintendent and the one-hundred-fifty-dollar application fee. 1726  
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(b) The applicant is currently licensed and is in good standing in the applicant's home state with surety bail bond authority. 1729  
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(c) The applicant has designated an individual licensed surety bail bond agent who will be responsible for the applicant's compliance with the insurance laws of this state. 1732  
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(d) The applicant has not committed any act that is grounds for the refusal to issue, suspension of, or revocation of a license under section 3905.14 of the Revised Code. 1735  
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(e) The applicant has submitted any other documents requested by the superintendent. 1738  
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(C) A resident and nonresident surety bail bond agent license issued pursuant to this section authorizes the holder, when appointed by an insurer, to execute or countersign bail bonds in connection with judicial proceedings and to receive money or other things of value for those services. However, the holder shall not execute or deliver a bond during the first one hundred eighty days after the license is initially issued. This restriction does not apply with respect to license renewals or any license issued under divisions (B)(3) and (4) of this section. 1740  
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(D) The superintendent ~~of insurance may suspend or revoke~~ refuse to renew a surety bail bond agent's license as provided in division (B) of section ~~3905.482~~ 3905.88 of the Revised Code, and may suspend, revoke, or refuse to issue or renew such a license as 1749  
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provided in section 3905.14 of the Revised Code. 1753

If the superintendent refuses to issue such a license based 1754  
in whole or in part upon the written response to a criminal 1755  
records check ~~requested~~ completed pursuant to division (A) of this 1756  
section, the superintendent shall send a copy of the response that 1757  
was transmitted to the superintendent ~~or to the superintendent's~~ 1758  
~~designee~~, to the applicant at the applicant's home address upon 1759  
the applicant's submission of a written request to the 1760  
superintendent. 1761

(E) Any person licensed as a surety bail bond agent may 1762  
surrender the person's license in accordance with section 3905.16 1763  
of the Revised Code. 1764

~~(F) Unless revoked or suspended by the superintendent of 1765  
insurance or surrendered by the surety bail bond agent, such a 1766  
license may, in the discretion of the superintendent and the 1767  
payment of a one hundred fifty dollar fee, be renewed effective 1768  
the first day of March next after its issue and after the first 1769  
day of March in each succeeding year (1) A person seeking to renew 1770  
a surety bail bond agent license shall apply annually for a 1771  
renewal of the license on or before the last day of February. 1772  
Applications shall be submitted to the superintendent on forms 1773  
prescribed by the superintendent. Each application shall be 1774  
accompanied by a one-hundred-fifty-dollar renewal fee. 1775~~

(2) To be eligible for renewal, an individual applicant shall 1776  
complete the continuing education requirements pursuant to section 1777  
3905.88 of the Revised Code prior to the renewal date. 1778

(3) If an applicant submits a completed renewal application, 1779  
qualifies for renewal pursuant to divisions (F)(1) and (2) of this 1780  
section, and has not committed any act that is a ground for the 1781  
refusal to issue, suspension of, or revocation of a license under 1782  
section 3905.14 or sections 3905.83 to 3905.99 of the Revised 1783

Code, the superintendent shall renew the applicant's surety bail 1784  
bond insurance agent license. 1785

(4) If an individual or business entity does not apply for 1786  
the renewal of the individual or business entity's license on or 1787  
before the license renewal date specified in division (F)(1) of 1788  
this section, the individual or business entity may submit a late 1789  
renewal application along with all applicable fees required under 1790  
this chapter prior to the last day of March following the renewal 1791  
date. The superintendent shall renew the license of an applicant 1792  
that submits a late renewal application if the applicant satisfies 1793  
all of the following conditions: 1794

(a) The applicant submits a completed renewal application. 1795

(b) The applicant pays the one-hundred-fifty-dollar renewal 1796  
fee. 1797

(c) The applicant pays the late renewal fee established by 1798  
the superintendent. 1799

(d) The applicant provides proof of compliance with the 1800  
continuing education requirements pursuant to section 3905.88 of 1801  
the Revised Code. 1802

(e) The applicant has not committed any act that is grounds 1803  
for the refusal to issue, suspension of, or revocation of a 1804  
license under section 3905.14 or sections 3905.83 to 3905.99 of 1805  
the Revised Code. 1806

(5) A license issued under this section that is not renewed 1807  
on or before its late renewal date specified in division (F)(4) of 1808  
this section is automatically suspended for nonrenewal effective 1809  
the first day of April. 1810

(6) If a license is suspended for nonrenewal pursuant to 1811  
division (F)(5) of this section, the individual or business entity 1812  
is eligible to apply for reinstatement of the license within the 1813

twelve-month period following the date by which the license should 1814  
have been renewed by complying with the reinstatement procedure 1815  
established by the superintendent and paying all applicable fees 1816  
required under this chapter. 1817

(7) A license that is suspended for nonrenewal that is not 1818  
reinstated pursuant to division (F)(6) of this section 1819  
automatically is canceled unless the superintendent is 1820  
investigating any allegations of wrongdoing by the agent or has 1821  
initiated proceedings under Chapter 119. of the Revised Code. In 1822  
that case, the license automatically is canceled after the 1823  
completion of the investigation or proceedings unless the 1824  
superintendent revokes the license. 1825

(G) The superintendent ~~of insurance~~ may prescribe the forms 1826  
to be used as evidence of the issuance of a license under this 1827  
section. The superintendent shall require each licensee to 1828  
acquire, from a source designated by the superintendent, a wallet 1829  
identification card that includes the licensee's photograph and 1830  
any other information required by the superintendent. The licensee 1831  
shall keep the wallet identification card on the licensee's person 1832  
while engaging in the bail bond business. 1833

(H)(1) The superintendent of insurance shall not issue or 1834  
renew the license of a business entity organized under the laws of 1835  
this or any other state unless the business entity is qualified to 1836  
do business in this state under the applicable provisions of Title 1837  
XVII of the Revised Code. 1838

(2) The failure of a business entity to be in good standing 1839  
with the secretary of state or to maintain a valid appointment of 1840  
statutory agent is grounds for suspending, revoking, or refusing 1841  
to renew its license. 1842

(3) By applying for a surety bail bond agent license under 1843  
this section, an individual or business entity consents to the 1844

jurisdiction of the courts of this state. 1845

(I) A surety bail bond agent licensed pursuant to this 1846  
section is an officer of the court. 1847

(J) Any fee collected under this section shall be paid into 1848  
the state treasury to the credit of the department of insurance 1849  
operating fund created by section 3901.021 of the Revised Code. 1850

**Sec. 3905.86.** (A) Any person licensed as a surety bail bond 1851  
agent may be appointed by an insurer in accordance with this 1852  
section. 1853

(B) ~~Each insurer shall certify to the superintendent of~~ 1854  
~~insurance before the thirtieth day of June each year the names and~~ 1855  
~~addresses of the surety bail bond agents for whom it requests~~ 1856  
~~appointments or the continuance of appointments~~ To appoint a 1857  
surety bail bond agent as its agent, an insurer shall file a 1858  
notice of appointment with the superintendent of insurance in the 1859  
manner prescribed by the superintendent. All insurers shall pay to 1860  
the superintendent a fee ~~of twenty dollars~~ pursuant to division 1861  
(A)(8) of section 3905.40 of the Revised Code for each such 1862  
appointment when issued and for each continuance thereafter. Such 1863  
an appointment, unless canceled by the insurer, may be continued 1864  
in force past the thirtieth day of June next after its issue and 1865  
after the thirtieth day of June of each succeeding year provided 1866  
that the appointee is licensed and is eligible for the 1867  
appointment. 1868

Any fee collected under this division shall be paid into the 1869  
state treasury to the credit of the department of insurance 1870  
operating fund created by section 3901.021 of the Revised Code. 1871

(C)(1) By appointing a surety bail bond agent, an insurer 1872  
certifies to the superintendent that the person is competent, 1873  
financially responsible, and suitable to represent the insurer. 1874

(2) An insurer shall be bound by the acts of the person named 1875  
in the appointment within that person's actual or apparent 1876  
authority as its agent. 1877

(D) A surety bail bond agent shall not represent to the 1878  
public that the agent has authority to represent a particular 1879  
insurer until the insurer has acknowledged that authority by 1880  
appointment of the agent in accordance with this section. 1881

**Sec. 3905.862.** Upon the expiration or cancellation of a 1882  
surety bail bond agent's appointment, the agent shall not engage 1883  
or attempt to engage in any activity requiring such an 1884  
appointment. However, an insurer that cancels the appointment of a 1885  
surety bail bond agent may authorize the agent to continue to 1886  
attempt the arrest and surrender of a defendant for whom a bail 1887  
bond had been written prior to the cancellation and to seek 1888  
discharge of forfeitures and judgments. 1889

An insurer that cancels the appointment of a surety bail bond 1890  
agent or allows that appointment to expire shall pay to the 1891  
superintendent of insurance a fee pursuant to division (A)(9) of 1892  
section 3905.40 of the Revised Code. 1893

**Sec. 3905.87.** (A) A surety bail bond agent shall not file a 1894  
bond in any court of this state unless ~~both of the following~~ 1895  
~~conditions are met:~~ 1896

~~(1) The the agent is licensed and appointed under sections 1897  
3905.83 to 3905.95 of the Revised Code and has registered with the 1898  
clerk of that court pursuant to division (B) of this section, if 1899  
registration is required by the court. 1900~~

~~(2) The agent has registered with the clerk of the court of 1901  
common pleas of the county in which the agent resides. 1902~~

(B) To register with a court, a surety bail bond agent shall 1903

file, with the clerk of the court, a copy of the agent's surety 1904  
bail bond license, a copy of the agent's driver's license or state 1905  
identification card, and a certified copy of the surety bail bond 1906  
agent's appointment by power of attorney from each insurer that 1907  
the surety bail bond agent represents. ~~Registration and filing of~~ 1908  
~~a certified copy of a renewed power of attorney shall be performed~~ 1909  
An agent shall renew the agent's registration biennially by the 1910  
first day of August of each odd-numbered year. ~~The clerk of the~~ 1911  
~~court shall not accept the registration of a surety bail bond~~ 1912  
~~agent unless the surety bail bond agent is currently licensed and~~ 1913  
~~appointed in accordance with sections 3905.83 to 3905.95 of the~~ 1914  
~~Revised Code.~~ 1915

(C) The clerk of the court shall make available a list of 1916  
court-registered surety bail bond agents to the appropriate 1917  
holding facility, jail, correction facility, or other similar 1918  
entity within the court's jurisdiction annually not later than the 1919  
first day of September. If an agent registers with a court after 1920  
the last day of August, the court shall add that agent to the list 1921  
and make the updated list available to the appropriate holding 1922  
facility, jail, correction facility, or other similar entity 1923  
within the court's jurisdiction within twenty-four hours of the 1924  
court's approval of that registration. 1925

**Sec. 3905.88.** (A) Each individual who is issued a license as 1926  
a resident surety bail bond agent shall complete, ~~in accordance~~ 1927  
~~with section 3905.481 of the Revised Code,~~ at least ~~fourteen~~ seven 1928  
hours of continuing education in each license renewal period. The 1929  
continuing education shall be offered in a course or program of 1930  
study related to the bail bond business that is approved by the 1931  
superintendent of insurance in consultation with the insurance 1932  
agent education advisory council and shall include at least one 1933  
hour of approved ethics training. 1934



(B) The superintendent shall, ~~in accordance with section 3905.482 of the Revised Code, suspend or revoke~~ not renew the license of any surety bail bond agent who fails to meet the requirements of division (A) of this section ~~and has not been granted an extension of time within which to complete the requirements~~ or whose application for renewal does not meet the requirements of section 3905.85 of the Revised Code.

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

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

This notification requirement is in addition to the notification requirements set forth in other provisions of this chapter.

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

(A) Suggest or advise the employment of, or name for employment, any particular attorney to represent its principal;

(B) ~~Directly or indirectly solicit~~ Solicit business in, or on the property or grounds of, a detention facility, as defined in section 2921.01 of the Revised Code, or in, or on the property or grounds of, any court. For purposes of this division, "solicit" includes, but is not limited to, the distribution of business cards, print advertising, or any other written information directed to prisoners or potential indemnitors, unless a request

is initiated by the prisoner or potential indemnitor. Permissible 1965  
print advertising in a detention facility is strictly limited to a 1966  
listing in a telephone directory and the posting of the surety 1967  
bail bond agent's name, address, and telephone number in a 1968  
designated location within the detention facility. 1969

(C) Wear or otherwise display any identification, other than 1970  
the wallet identification card required under division (G) of 1971  
section 3905.85 of the Revised Code, in or on the property or 1972  
grounds of a detention facility, as defined in section 2921.01 of 1973  
the Revised Code, or in or on the property or grounds of any 1974  
court; 1975

(D) Pay a fee or rebate or give or promise anything of value 1976  
to a jailer, law enforcement officer, committing magistrate, or 1977  
other person who has power to arrest or to hold in custody, or to 1978  
any public official or public employee, in order to secure a 1979  
settlement, compromise, remission, or reduction of the amount of 1980  
any bail bond or estreatment of bail; 1981

(E) Pay a fee or rebate or give or promise anything of value 1982  
to an attorney in a bail bond matter, except in defense of any 1983  
action on a bond; 1984

(F) Pay a fee or rebate or give or promise anything of value 1985  
to the principal or to anyone in the principal's behalf; 1986

(G) Post anything without using a bail instrument 1987  
representing an insurer, to have a defendant released on bail on 1988  
all types of set court bail, except for the following: 1989

(1) Cash court fees or cash reparation fees; 1990

(2) Ten per cent assignments; 1991

(3) Other nonsurety court bonds, if the agent provides full 1992  
written disclosure and receipts and retains copies of all 1993  
documents and receipts for not less than three years. 1994

(H) Participate in the capacity of an attorney at a trial or hearing of a principal; 1995  
1996

~~(H)~~(I) Accept anything of value from a principal for providing a bail bond, other than the premium filed with and approved by the superintendent of insurance and an expense fee, except that the surety bail bond agent may, in accordance with section 3905.92 of the Revised Code, accept collateral security or other indemnity from a principal or other person together with documentary stamp taxes if applicable. No fees, expenses, or charges of any kind shall be deducted from the collateral held or any return premium due, except as authorized by sections 3905.83 to 3905.95 of the Revised Code or by rule of the superintendent. A surety bail bond agent, upon written agreement with another party, may receive a fee or other compensation for returning to custody an individual who has fled the jurisdiction of the court or caused the forfeiture of a bond. 1997  
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~~(I)~~(J) Execute a bond in this state on the person's own behalf; 2011  
2012

~~(J)~~(K) Execute a bond in this state if a judgment has been entered on a bond executed by the surety bail bond agent, which judgment has remained unpaid for at least sixty days after all appeals have been exhausted, unless the full amount of the judgment is deposited with the clerk of the court. 2013  
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As used in this section, "instrument" means a fiduciary form showing a dollar amount for a surety bail bond. 2018  
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**Sec. 3924.01.** As used in sections 3924.01 to 3924.14 of the Revised Code: 2020  
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(A) "Actuarial certification" means a written statement prepared by a member of the American academy of actuaries, or by any other person acceptable to the superintendent of insurance, 2022  
2023  
2024

that states that, based upon the person's examination, a carrier 2025  
offering health benefit plans to small employers is in compliance 2026  
with sections 3924.01 to 3924.14 of the Revised Code. "Actuarial 2027  
certification" shall include a review of the appropriate records 2028  
of, and the actuarial assumptions and methods used by, the carrier 2029  
relative to establishing premium rates for the health benefit 2030  
plans. 2031

(B) "Adjusted average market premium price" means the average 2032  
market premium price as determined by the board of directors of 2033  
the Ohio health reinsurance program either on the basis of the 2034  
arithmetic mean of all carriers' premium rates for an OHC plan 2035  
sold to groups with similar case characteristics by all carriers 2036  
selling OHC plans in the state, or on any other equitable basis 2037  
determined by the board. 2038

(C) "Base premium rate" means, as to any health benefit plan 2039  
that is issued by a carrier and that covers at least two but no 2040  
more than fifty employees of a small employer, the lowest premium 2041  
rate for a new or existing business prescribed by the carrier for 2042  
the same or similar coverage under a plan or arrangement covering 2043  
any small employer with similar case characteristics. 2044

(D) "Carrier" means any sickness and accident insurance 2045  
company or health insuring corporation authorized to issue health 2046  
benefit plans in this state or a MEWA. A sickness and accident 2047  
insurance company that owns or operates a health insuring 2048  
corporation, either as a separate corporation or as a line of 2049  
business, shall be considered as a separate carrier from that 2050  
health insuring corporation for purposes of sections 3924.01 to 2051  
3924.14 of the Revised Code. 2052

(E) "Case characteristics" means, with respect to a small 2053  
employer, the geographic area in which the employees work; the age 2054  
and sex of the individual employees and their dependents; the 2055  
appropriate industry classification as determined by the carrier; 2056

the number of employees and dependents; and such other objective 2057  
criteria as may be established by the carrier. "Case 2058  
characteristics" does not include claims experience, health 2059  
status, or duration of coverage from the date of issue. 2060

(F) "Dependent" means the spouse or child of an eligible 2061  
employee, subject to applicable terms of the health benefits plan 2062  
covering the employee. 2063

(G) "Eligible employee" means an employee who works a normal 2064  
work week of twenty-five or more hours. "Eligible employee" does 2065  
not include a temporary or substitute employee, or a seasonal 2066  
employee who works only part of the calendar year on the basis of 2067  
natural or suitable times or circumstances. 2068

(H) "Health benefit plan" means any hospital or medical 2069  
expense policy or certificate or any health plan provided by a 2070  
carrier, that is delivered, issued for delivery, renewed, or used 2071  
in this state on or after the date occurring six months after 2072  
November 24, 1995. "Health benefit plan" does not include policies 2073  
covering only accident, credit, dental, disability income, 2074  
long-term care, hospital indemnity, medicare supplement, specified 2075  
disease, or vision care; coverage under a 2076  
one-time-limited-duration policy of no longer than six months; 2077  
coverage issued as a supplement to liability insurance; insurance 2078  
arising out of a workers' compensation or similar law; automobile 2079  
medical-payment insurance; or insurance under which benefits are 2080  
payable with or without regard to fault and which is statutorily 2081  
required to be contained in any liability insurance policy or 2082  
equivalent self-insurance. 2083

(I) "Late enrollee" means an eligible employee or dependent 2084  
who enrolls in a small employer's health benefit plan other than 2085  
during the first period in which the employee or dependent is 2086  
eligible to enroll under the plan or during a special enrollment 2087  
period described in section 2701(f) of the "Health Insurance 2088

Portability and Accountability Act of 1996," Pub. L. No. 104-191, 2089  
110 Stat. 1955, 42 U.S.C.A. 300gg, as amended. 2090

(J) "MEWA" means any "multiple employer welfare arrangement" 2091  
as defined in section 3 of the "Federal Employee Retirement Income 2092  
Security Act of 1974," 88 Stat. 832, 29 U.S.C.A. 1001, as amended, 2093  
except for any arrangement which is fully insured as defined in 2094  
division (b)(6)(D) of section 514 of that act. 2095

(K) "Midpoint rate" means, for small employers with similar 2096  
case characteristics and plan designs and as determined by the 2097  
applicable carrier for a rating period, the arithmetic average of 2098  
the applicable base premium rate and the corresponding highest 2099  
premium rate. 2100

(L) "Pre-existing conditions provision" means a policy 2101  
provision that excludes or limits coverage for charges or expenses 2102  
incurred during a specified period following the insured's 2103  
enrollment date as to a condition for which medical advice, 2104  
diagnosis, care, or treatment was recommended or received during a 2105  
specified period immediately preceding the enrollment date. 2106  
Genetic information shall not be treated as such a condition in 2107  
the absence of a diagnosis of the condition related to such 2108  
information. 2109

For purposes of this division, "enrollment date" means, with 2110  
respect to an individual covered under a group health benefit 2111  
plan, the date of enrollment of the individual in the plan or, if 2112  
earlier, the first day of the waiting period for such enrollment. 2113

(M) "Service waiting period" means the period of time after 2114  
employment begins before an employee is eligible to be covered for 2115  
benefits under the terms of any applicable health benefit plan 2116  
offered by the small employer. 2117

(N)(1) "Small employer" means, in connection with a group 2118  
health benefit plan and with respect to a calendar year and a plan 2119

year, an employer who employed an average of at least two but no more than fifty eligible employees on business days during the preceding calendar year and who employs at least two employees on the first day of the plan year.

(2) For purposes of division (N)(1) of this section, all persons treated as a single employer under subsection (b), (c), (m), or (o) of section 414 of the "Internal Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 1, as amended, shall be considered one employer. In the case of an employer that was not in existence throughout the preceding calendar year, the determination of whether the employer is a small or large employer shall be based on the average number of eligible employees that it is reasonably expected the employer will employ on business days in the current calendar year. Any reference in division (N) of this section to an "employer" includes any predecessor of the employer. Except as otherwise specifically provided, provisions of sections 3924.01 to 3924.14 of the Revised Code that apply to a small employer that has a health benefit plan shall continue to apply until the plan anniversary following the date the employer no longer meets the requirements of this division.

(O) "OHC plan" means an Ohio health care plan, which is the basic, standard, or carrier reimbursement plan for small employers and individuals established ~~by the board~~ in accordance with section 3924.10 of the Revised Code.

**Sec. 3924.09.** The Ohio health reinsurance program shall have the general powers and authority granted under the laws of the state to insurance companies licensed to transact sickness and accident insurance, except the power to issue insurance. The board of directors of the program also shall have the specific authority to do all of the following:

(A) Enter into contracts as are necessary or proper to carry

out the provisions and purposes of sections 3924.07 to 3924.14 of 2151  
the Revised Code, including the authority to enter into contracts 2152  
with similar programs of other states for the joint performance of 2153  
common functions, or with persons or other organizations for the 2154  
performance of administrative functions; 2155

(B) Sue or be sued, including taking any legal actions 2156  
necessary or proper for recovery of any assessments for, on behalf 2157  
of, or against any program or board member; 2158

(C) Take such legal action as is necessary to avoid the 2159  
payment of improper claims against the program; 2160

(D) ~~Design~~ Make recommendations to the superintendent of 2161  
insurance regarding the design of the OHC plans which, when 2162  
offered by a carrier, are eligible for reinsurance and issue 2163  
reinsurance policies in accordance with the requirements of 2164  
sections 3924.07 to 3924.14 of the Revised Code; 2165

(E) Establish rules, conditions, and procedures pertaining to 2166  
the reinsurance of members' risks by the program; 2167

(F) Establish appropriate rates, rate schedules, rate 2168  
adjustments, rate classifications, and any other actuarial 2169  
functions appropriate to the operation of the program; 2170

(G) Assess members in accordance with division (G) of section 2171  
3924.11 and the provisions of section 3924.13 of the Revised Code, 2172  
and make such advance interim assessments as may be reasonable and 2173  
necessary for organizational and interim operating expenses. Any 2174  
interim assessments shall be credited as offsets against any 2175  
regular assessments due following the close of the calendar year. 2176

(H) Appoint members to appropriate legal, actuarial, and 2177  
other committees if necessary to provide technical assistance with 2178  
respect to the operation of the program, policy and other contract 2179  
design, and any other function within the authority of the 2180  
program; 2181



(I) Borrow money to effect the purposes of the program. Any 2182  
notes or other evidence of indebtedness of the program not in 2183  
default shall be legal investments for carriers and may be carried 2184  
as admitted assets. 2185

(J) Reinsure risks, collect assessments, and otherwise carry 2186  
out its duties under division (G) of section 3924.11 of the 2187  
Revised Code; 2188

(K) Study the operation of the Ohio health reinsurance 2189  
program and the open enrollment reinsurance program and, based on 2190  
its findings, make legislative recommendations to the general 2191  
assembly for improvements in the effectiveness, operation, and 2192  
integrity of the programs; 2193

(L) Design a basic and standard plan for purposes of sections 2194  
1751.16, 3923.122, and 3923.581 of the Revised Code. 2195

**Sec. 3924.10.** (A) The board of directors of the Ohio health 2196  
reinsurance program ~~shall design~~ may make recommendations to the 2197  
superintendent of insurance, and the superintendent may adopt or 2198  
amend by rule adopted in accordance with Chapter 119. of the 2199  
Revised Code, the OHC basic, standard, and carrier reimbursement 2200  
plans which, when offered by a carrier, are eligible for 2201  
reinsurance under the program. The ~~board~~ superintendent shall 2202  
establish the form and level of coverage to be made available by 2203  
carriers in their OHC plans. ~~In designing the~~ The plans the board 2204  
~~shall also establish~~ include benefit levels, deductibles, 2205  
coinsurance factors, exclusions, and limitations for the plans. 2206  
The forms and levels of coverage ~~established by the board~~ shall 2207  
specify which components of health benefit plans offered by a 2208  
carrier may be reinsured. The OHC plans are subject to division 2209  
(C) of section 3924.02 of the Revised Code and to the provisions 2210  
in Chapters 1751., 1753., 3923., and any other chapter of the 2211  
Revised Code that require coverage or the offer of coverage of a 2212

health care service or benefit. 2213

(B) ~~The board shall adopt the OHC plans within one hundred~~ 2214  
~~eighty days after the effective date of this amendment. Prior to~~ 2215  
~~adopting any rule that makes changes to the OHC basic or standard~~ 2216  
~~plan, the superintendent shall conduct an actuarial analysis of~~ 2217  
~~the cost impact of the proposed rule. The superintendent may~~ 2218  
~~consider recommendations of the Ohio health care coverage and~~ 2219  
~~quality council established under section 3923.90 of the Revised~~ 2220  
~~Code.~~ The plans may include cost containment features including 2221  
any of the following: 2222

(1) Utilization review of health care services, including 2223  
review of the medical necessity of hospital and physician 2224  
services; 2225

(2) Case management benefit alternatives; 2226

(3) Selective contracting with hospitals, physicians, and 2227  
other health care providers; 2228

(4) Reasonable benefit differentials applicable to 2229  
participating and nonparticipating providers; 2230

(5) Employee assistance program options that provide 2231  
preventive and early intervention mental health and substance 2232  
abuse services; 2233

(6) Other provisions for the cost-effective management of the 2234  
plans. 2235

(C) OHC plans established for use by health insuring 2236  
corporations shall be consistent with the basic method of 2237  
operation of such corporations. 2238

(D) Each carrier shall certify to the superintendent of 2239  
insurance, in the form and manner prescribed by the 2240  
superintendent, that the OHC plans filed by the carrier are in 2241  
substantial compliance with the provisions of the ~~board~~ OHC plans 2242

designed or adopted under this section. Upon receipt by the 2243  
superintendent of the certification, the carrier may use the 2244  
certified plans. 2245

(E) Each carrier shall, on and after sixty days after the 2246  
date that the program becomes operational and as a condition of 2247  
transacting business in this state, renew coverage provided to any 2248  
individual or group under its OHC plans. 2249

(F) The OHC plans in effect as of June 1, 2009, shall remain 2250  
in effect until those plans are amended or new plans are adopted 2251  
in accordance with this section. 2252

**Sec. 3929.30.** The president or the vice-president and the 2253  
secretary of each insurance company organized under the laws of 2254  
this or any other state and doing business in this state, 2255  
annually, on the first day of January or within sixty days 2256  
thereafter, shall prepare, under oath, and deposit in the office 2257  
of the superintendent of insurance a statement of the condition of 2258  
such company on the next preceding thirty-first day of December. 2259  
The statement shall be submitted on the forms adopted by the 2260  
superintendent pursuant to section 3901.77 of the Revised Code, 2261  
and shall exhibit the following facts and items: 2262

(A) The amount of the capital stock of the company, 2263  
specifying the amount paid and unpaid; 2264

(B) A detailed statement of all the assets of the company and 2265  
the manner of their investment. 2266

(C) The liabilities of the company, specifying: 2267

(1) The amount of losses due and unpaid; 2268

(2) The amount of claims for losses resisted by the company; 2269

(3) The amount of losses incurred during the year, including 2270  
those claimed and not due, and those reported to the company upon 2271  
which no action has been taken; 2272

(4) The amount of dividends declared, due, and unpaid;	2273
(5) The amount of dividends, either cash or scrip, declared but not due;	2274 2275
(6) The amount of money borrowed and the security given for its payment;	2276 2277
(7) The amount required for reinsurance, being a pro rata of all premiums, received and receivable, on unexpired risks and policies, provided that as to fire insurance business, a company may, at its option, maintain a sum equal to fifty per cent of the whole amount of premiums received and receivable on unexpired risks and policies running one year and less from the date of the policy. In the case of marine insurance, premiums on trip risks not terminated shall be deemed unearned, and the superintendent may require a reserve to be carried thereon equal to one hundred per cent of the premiums on trip risks written during the month ended as of the date of statement.	2278 2279 2280 2281 2282 2283 2284 2285 2286 2287 2288
(8) The amount of all other existing claims against the company;	2289 2290
<del>(9) A statement, approved by the superintendent, from a member of the American academy of actuaries certifying that the loss and loss adjustment reserves established for medical malpractice business, as reported in the statutory annual statement, are computed in accordance with accepted loss reserving standards and are fairly stated in accordance with sound loss reserving principles.</del>	2291 2292 2293 2294 2295 2296 2297
(D) The income of the company during the preceding year, specifying:	2298 2299
(1) The amount of cash premiums received;	2300
(2) The amount of notes or contingent assets received for premiums;	2301 2302

(3) The amount of interest money received;	2303
(4) The amount of income received from other sources.	2304
(E) The expenditure during the preceding year, specifying:	2305
(1) The amount of losses paid during the year, stating how	2306
much of them accrued prior, and how much accrued subsequent, to	2307
the date of the preceding statement, and the amount at which	2308
losses were estimated in each preceding statement;	2309
(2) The amount of dividends paid during the year;	2310
(3) The amount of expenses paid during the year, including	2311
commissions and fees to agents and officers of the company;	2312
(4) The amount paid for taxes;	2313
(5) The amount of all payments and expenditures;	2314
(6) The amount of scrip dividend declared.	2315
<b>Sec. 3956.04.</b> (A) This chapter provides coverage, by the Ohio	2316
life and health insurance guaranty association, for the policies	2317
and contracts specified in division (B) of this section to all of	2318
the following persons:	2319
(1) Persons who are the beneficiaries, assignees, or payees	2320
of the persons covered under division (A)(2) of this section,	2321
regardless of where they reside, except for nonresident	2322
certificate holders under group policies or contracts;	2323
(2) Persons who are owners of or certificate holders under	2324
the policies or contracts, or, in the case of unallocated annuity	2325
contracts, the persons who are the contract holders, if either of	2326
the following applies:	2327
(a) The persons are residents of this state;	2328
(b) The persons are not residents of this state and all of	2329
the following conditions apply:	2330

(i) The insurers that issued the policies or contracts are domiciled in this state;	2331 2332
(ii) At the time the policies or contracts were issued, the insurers did not hold a license or certificate of authority in the states in which the persons reside;	2333 2334 2335
(iii) The states have associations similar to the association created by section 3956.06 of the Revised Code;	2336 2337
(iv) The persons are not eligible for coverage by those associations.	2338 2339
(B)(1) This chapter provides coverage to the persons specified in division (A) of this section for direct, nongroup life, health, annuity, and supplemental policies or contracts, for certificates under direct group policies and contracts, and for unallocated annuity contracts issued by member insurers, except as otherwise limited in this chapter. Annuity contracts and certificates under group annuity contracts include, but are not limited to, guaranteed investment contracts, deposit administration contracts, unallocated funding agreements, allocated funding agreements, structured settlement agreements, lottery contracts, and any immediate or deferred annuity contracts.	2340 2341 2342 2343 2344 2345 2346 2347 2348 2349 2350 2351
(2) This chapter does not provide coverage for any of the following:	2352 2353
(a) Any portion of a policy or contract not guaranteed by the insurer, or under which the risk is borne by the policy or contract holder;	2354 2355 2356
(b) Any policy or contract of reinsurance, unless assumption certificates have been issued;	2357 2358
(c) Any portion of a policy or contract to the extent that the rate of interest on which it is based:	2359 2360

(i) Averaged over the period of four years prior to the date 2361  
on which the association becomes obligated with respect to the 2362  
policy or contract or if the policy or contract has been issued 2363  
for a lesser period averaged over that period, exceeds the rate of 2364  
interest determined by subtracting two percentage points from the 2365  
monthly average-corporates as published by Moody's investors 2366  
service, inc., or any successor to that service, averaged for the 2367  
same period; 2368

(ii) On and after the date on which the association becomes 2369  
obligated with respect to the policy or contract, exceeds the rate 2370  
of interest determined by subtracting three percentage points from 2371  
the monthly average-corporates as published by Moody's investors 2372  
service, inc., or any successor to that service, as most recently 2373  
available. 2374

If the monthly average-corporates is no longer published, the 2375  
superintendent, by rule, shall establish a substantially similar 2376  
average. 2377

(d) Any plan or program of an employer, association, or 2378  
similar entity to provide life, health, or annuity benefits to its 2379  
employees or members to the extent that the plan or program is 2380  
self-funded or uninsured, including but not limited to benefits 2381  
payable by an employer, association, or similar entity under any 2382  
of the following: 2383

(i) A multiple employer welfare arrangement as defined in 2384  
section 514 of the "Employee Retirement Income Security Act of 2385  
1974," 88 Stat. 833, 29 U.S.C.A. 1001, as amended; 2386

(ii) A minimum premium group insurance plan; 2387

(iii) A stop-loss group insurance plan; 2388

(iv) An administrative services only contract. 2389

(e) Any portion of a policy or contract to the extent that it 2390

provides dividends or experience rating credits, or provides that 2391  
any fees or allowances be paid to any person, including the policy 2392  
or contract holder, in connection with the service to or 2393  
administration of the policy or contract; 2394

(f) Any policy or contract issued in this state by a member 2395  
insurer at a time when it was not licensed or did not have a 2396  
certificate of authority to issue the policy or contract in this 2397  
state; 2398

(g) Any unallocated annuity contract issued to an employee 2399  
benefit plan protected under the federal pension benefit guaranty 2400  
corporation; 2401

(h) Any portion of any unallocated annuity contract that is 2402  
not issued to or in connection with a governmental lottery or a 2403  
benefit plan of a specific employee, union, or association of 2404  
natural persons; 2405

(i) Any policy or contract issued to or for the benefit of a 2406  
past or present director or officer within one year of the filing 2407  
of the successful complaint that the insurer was impaired or 2408  
insolvent; 2409

(j) Any policy or contract issued by any entity described in 2410  
division (F)(2) of section 3956.01 of the Revised Code; 2411

(k) Any policy or contract issued by a member insurer if the 2412  
member insurer is carrying on as a line of business, and not as a 2413  
separate legal entity, the activities of any entity described in 2414  
division (F)(2) of section 3956.01 of the Revised Code, and the 2415  
policy or contract is issued as a product of those activities. 2416

(C) The benefits for which the association may become liable 2417  
shall not exceed the lesser of either of the following: 2418

(1) The contractual obligations for which the insurer is 2419  
liable or would have been liable if it were not an impaired or 2420



insolvent insurer;	2421
(2)(a) With respect to any one life, regardless of the number of policies or contracts:	2422
(i) Three hundred thousand dollars in life insurance death benefits, but not more than one hundred thousand dollars in net cash surrender and net cash withdrawal values for life insurance;	2423
(ii) One hundred thousand dollars in health insurance benefits, including any net cash surrender and net cash withdrawal values;	2424
(iii) <del>One</del> <u>Two</u> hundred <u>fifty</u> thousand dollars in the present value of annuity benefits, including net cash surrender and net cash withdrawal values.	2425
(b) With respect to each individual participating in a governmental retirement plan established under section 401, 403(b), or 457 of the "Internal Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 1, as amended, and covered by an unallocated annuity contract, or the beneficiaries of each such individual if deceased, in the aggregate, <del>one</del> <u>two</u> hundred <u>fifty</u> thousand dollars in present value annuity benefits, including net cash surrender and net cash withdrawal values.	2426
The association is not liable to expend more than three hundred thousand dollars in the aggregate with respect to any one individual under divisions (C)(2)(a) and (b) of this section combined.	2427
(c) With respect to any one contract holder, covered by any unallocated annuity contract not included in division (C)(2)(b) of this section, one million dollars in benefits, irrespective of the number of those contracts held by that contract holder.	2428
(D) The liability of the association is limited strictly by the express terms of the policies or contracts and by this	2429
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chapter, and is not affected by the contents of any brochures, 2451  
illustrations, advertisements in the print or electronic media, or 2452  
other advertising material used in connection with the sale of the 2453  
policies or contracts, or by oral statements made by agents or 2454  
other sales representatives in connection with the sale of the 2455  
policies or contracts. The association is not liable for 2456  
extra-contractual damages, punitive damages, attorney's fees, or 2457  
interest other than as provided for by the terms of the policies 2458  
or contracts as limited by this chapter, that might be awarded by 2459  
any court or governmental agency in connection with the policies 2460  
or contracts. 2461

(E) The protection provided by this chapter does not apply 2462  
where any guaranty protection is provided to residents of this 2463  
state by the laws of the domiciliary state or jurisdiction of the 2464  
impaired or insolvent insurer other than this state. 2465

**Sec. 3960.03.** All of the following apply to risk retention 2466  
groups chartered and licensed in states other than this state, 2467  
that seek to do business as a risk retention group in this state: 2468

(A) No risk retention group shall offer insurance in this 2469  
state unless it has submitted to the superintendent of insurance, 2470  
in a form satisfactory to the superintendent, all of the 2471  
following: 2472

(1) A statement identifying the state or states in which it 2473  
is chartered and licensed as a liability insurance company, the 2474  
date of chartering, its principal place of business, and any other 2475  
information, including but not limited to, information on its 2476  
membership, that the superintendent may require to verify that it 2477  
is qualified under division (J) of section 3960.01 of the Revised 2478  
Code; 2479

(2) A copy of its plan of operation or a feasibility study 2480  
and revisions of the plan or study submitted to the state in which 2481

the risk retention group is chartered and licensed. Division 2482  
(A)(2) of this section does not apply to any line or 2483  
classification of liability insurance that was defined in the 2484  
federal "Product Liability Risk Retention Act of 1981," 95 Stat. 2485  
949, 15 U.S.C.A. 3901, as amended, before October 27, 1986, and 2486  
was offered before that date by any risk retention group that had 2487  
been chartered and operating for not less than three years before 2488  
that date. The risk retention group shall submit a copy of any 2489  
revision to its plan of operation or feasibility study required by 2490  
division (A)(2) of section 3960.02 of the Revised Code at the same 2491  
time that the revision is submitted to the commissioner of 2492  
insurance of its chartering state. 2493

(3) A statement of registration, for which a filing fee shall 2494  
be determined by the superintendent, that submits it to the 2495  
jurisdiction of the superintendent and the courts of this state. 2496  
The fee shall be paid into the state treasury to the credit of the 2497  
department of insurance operating fund pursuant to section 2498  
3901.021 of the Revised Code. 2499

(B) A risk retention group doing business in this state shall 2500  
submit to the superintendent all of the following: 2501

(1) A copy of its financial statement submitted to the state 2502  
in which the risk retention group is chartered and domiciled, 2503  
which shall be certified by an independent public accountant and 2504  
contain a statement of opinion on loss and loss adjustment expense 2505  
reserves made by a member of the American academy of actuaries or 2506  
a qualified loss reserve specialist under criteria established by 2507  
the national association of insurance commissioners; 2508

(2) A copy of each examination of the group as certified by 2509  
the commissioner or public official conducting the examination; 2510

(3) Upon request by the superintendent, a copy of any 2511  
information or document pertaining to any outside audit performed 2512

with respect to the group; 2513

(4) Any information that may be required to verify, to the 2514  
superintendent's satisfaction, its continuing qualification as a 2515  
risk retention group under division (J) of section 3960.01 of the 2516  
Revised Code. 2517

(C)(1) Agents or brokers for the risk retention group shall 2518  
report to the superintendent the premiums for direct business for 2519  
risks resident or located within this state that they have placed 2520  
with or on behalf of a risk retention group not chartered in this 2521  
state. 2522

(2) The agent or broker shall keep a complete and separate 2523  
record of all policies procured from each risk retention group, 2524  
which record shall be open to examination by the superintendent. 2525  
These records shall, for each policy and each kind of insurance 2526  
provided, include the following: 2527

(a) The limit of liability; 2528

(b) The time period covered; 2529

(c) The effective date; 2530

(d) The name of the risk retention group that issued the 2531  
policy; 2532

(e) The gross premium charged; 2533

(f) The amount of return premiums. 2534

(D) Every risk retention group that is not chartered in this 2535  
state shall do both of the following: 2536

(1) On or before the thirty-first day of ~~January~~ March, pay 2537  
to the treasurer of state five per cent of all premiums, fees, 2538  
assessments, dues, or other consideration for the preceding 2539  
~~one-year period~~ calendar year for risks resident or located in 2540  
this state, as calculated on a form prescribed by the treasurer of 2541  
state. If such tax is not paid when due, the tax shall be 2542

increased by a penalty of twenty-five per cent. An interest charge 2543  
computed as set forth in section 5725.221 of the Revised Code 2544  
shall be made on the entire sum of the tax plus penalty, which 2545  
interest shall be computed from the date the tax is due until it 2546  
is paid. All taxes collected under this section shall be paid into 2547  
the general revenue fund. For purposes of division (D)(1) of this 2548  
section, payment is considered made when it is received by the 2549  
treasurer of state, irrespective of any United States postal 2550  
service marking or other stamp or mark indicating the date on 2551  
which the payment may have been mailed. 2552

(2) On or before the thirty-first day of ~~January~~ March, file 2553  
a statement with the superintendent, on a form prescribed by the 2554  
superintendent, showing the name and address of the insured, name 2555  
and address of the insurer, subject of the insurance, general 2556  
description of the coverage, the amount of gross premium, fee, 2557  
assessment, dues, or other consideration for the insurance, after 2558  
a deduction for return premium, if any, and any other information 2559  
the superintendent requires. 2560

(E) The superintendent may examine the financial condition of 2561  
a risk retention group if the commissioner of insurance in the 2562  
state in which it is chartered and licensed has not initiated an 2563  
examination or does not initiate an examination within sixty days 2564  
after the superintendent has requested an examination. The 2565  
examination shall be conducted in an expeditious manner and in 2566  
accordance with the national association of insurance 2567  
commissioners' examiner handbook. 2568

(F) The superintendent may issue any order appropriate in 2569  
voluntary dissolution proceedings or commence delinquency 2570  
proceedings against a risk retention group not chartered in this 2571  
state that does business in this state if the superintendent 2572  
finds, after an examination of the group under division (E) of 2573  
this section, that its financial condition is impaired. A risk 2574

retention group that violates any provision of this chapter is 2575  
subject to fines and penalties, including revocation of its right 2576  
to do business in this state, applicable to licensed insurers 2577  
generally. ~~In addition to complying with the requirements of this 2578~~  
~~section, any risk retention group operating in this state prior to 2579~~  
~~enactment of this section shall comply with division (A)(1) of 2580~~  
~~this section within thirty days after October 26, 1989. 2581~~

**Sec. 5725.18.** (A) An annual franchise tax on the privilege of 2582  
being an insurance company is hereby levied on each domestic 2583  
insurance company. In the month of May, annually, the treasurer of 2584  
state shall charge for collection from each domestic insurance 2585  
company a franchise tax in the amount computed in accordance with 2586  
the following, as applicable: 2587

(1) With respect to a domestic insurance company that is a 2588  
health insuring corporation, one per cent of all premium rate 2589  
payments received, exclusive of payments received under the 2590  
medicare program established under Title XVIII of the "Social 2591  
Security Act," 49 Stat. 620 (1935), 42 U.S.C.A. 301, as amended, 2592  
and exclusive of payments received pursuant to the medical 2593  
assistance program established under Chapter 5111. of the Revised 2594  
Code for the period ending September 30, 2009, as reflected in its 2595  
annual report for the preceding calendar year; 2596

(2) With respect to a domestic insurance company that is not 2597  
a health insuring corporation, one and four-tenths per cent of the 2598  
gross amount of premiums received from policies covering risks 2599  
within this state, exclusive of premiums received under the 2600  
medicare program established under Title XVIII of the "Social 2601  
Security Act," 49 Stat. 620 (1935), 42 U.S.C.A. 301, as amended, 2602  
and exclusive of payments received pursuant to the medical 2603  
assistance program established under Chapter 5111. of the Revised 2604  
Code for the period ending September 30, 2009, as reflected in its 2605

annual statement for the preceding calendar year, and, if the 2606  
company operates a health insuring corporation as a line of 2607  
business, one per cent of all premium rate payments received from 2608  
that line of business, exclusive of payments received under the 2609  
medicare program established under Title XVIII of the "Social 2610  
Security Act," 49 Stat. 620 (1935), 42 U.S.C.A. 301, as amended, 2611  
and exclusive of payments received pursuant to the medical 2612  
assistance program established under Chapter 5111. of the Revised 2613  
Code for the period ending September 30, 2009, as reflected in its 2614  
annual statement for the preceding calendar year. 2615

Domestic insurance companies, including health insuring 2616  
corporations, receiving payments pursuant to the medical 2617  
assistance program established under Chapter 5111. of the Revised 2618  
Code during the period beginning October 1, 2009, and ending 2619  
December 31, 2009, shall file with the 2009 annual statement to 2620  
the superintendent a schedule that reflects those payments 2621  
received pursuant to the medical assistance program for that 2622  
period. The payments reflected in the schedule, plus all other 2623  
taxable premiums, are subject to the annual franchise tax due to 2624  
be paid in 2010. 2625

(B) The gross amount of premium rate payments or premiums 2626  
used to compute the applicable tax in accordance with division (A) 2627  
of this section is subject to the deductions prescribed by section 2628  
5729.03 of the Revised Code for foreign insurance companies. The 2629  
objects of such tax are those declared in section 5725.24 of the 2630  
Revised Code, to which only such tax shall be applied. 2631

(C) In no case shall such tax be less than two hundred fifty 2632  
dollars. 2633

**Section 2.** That existing sections 1751.33, 1753.33, 3901.021, 2634  
3903.81, 3903.83, 3905.04, 3905.041, 3905.05, 3905.06, 3905.061, 2635  
3905.07, 3905.071, 3905.12, 3905.14, 3905.16, 3905.20, 3905.30, 2636

3905.35, 3905.36, 3905.40, 3905.41, 3905.481, 3905.483, 3905.484, 2637  
3905.841, 3905.85, 3905.86, 3905.862, 3905.87, 3905.88, 3905.89, 2638  
3905.932, 3924.01, 3924.09, 3924.10, 3929.30, 3956.04, 3960.03, 2639  
and 5725.18 and sections 3905.10 and 3905.482, and 3929.301 of the 2640  
Revised Code are hereby repealed. 2641

**Section 3.** Sections 1 and 2 of this act take effect on the 2642  
ninetieth day after the effective date of this act. The 2643  
Superintendent of Insurance may further delay the implementation 2644  
and enforcement of the requirements amended, enacted, or repealed 2645  
by those sections under Section 6 of this act. 2646

2647

**Section 4.** Notwithstanding section 3905.481 of the Revised 2648  
Code, the Superintendent of Insurance shall establish a prorated 2649  
phase-in schedule for the completion of continuing education 2650  
requirements for the first license renewal period after the 2651  
effective date of this act. 2652

**Section 5.** For the time period beginning on the effective 2653  
date of Sections 1 and 2 of this act and ending upon 2654  
implementation and enforcement of section 3905.40 of the Revised 2655  
Code as amended by this act, each applicant for licensure as an 2656  
insurance agent except applicants for licensure as surety bail 2657  
bond agents and surplus line brokers shall pay ten dollars for 2658  
each line of authority requested. Fees collected under this 2659  
section shall be credited to the Department of Insurance Operating 2660  
Fund created in section 3901.021 of the Revised Code. 2661

**Section 6.** (A) The Superintendent of Insurance may delay the 2662  
implementation and enforcement of the requirements of sections 2663  
3901.021, 3905.04, 3905.041, 3905.05, 3905.051, 3905.06, 3905.061, 2664



3905.07, 3905.071, 3905.10, 3905.12, 3905.14, 3905.16, 3905.20, 2665  
3905.30, 3905.35, 3905.36, 3905.40, 3905.41, 3905.481, 3905.482, 2666  
3905.483, 3905.484, 3905.841, 3905.85, 3905.86, 3905.862, 3905.87, 2667  
3905.88, 3905.89, 3905.932, and 3960.03 of the Revised Code as 2668  
amended, enacted, or repealed by this act until the earlier of 2669  
January 1, 2011, or thirty days after the Superintendent of 2670  
Insurance determines that the Department of Insurance is able to 2671  
implement those requirements and places a notification of that 2672  
determination on the Department's web site. The Department shall 2673  
place a notification on the Department's web site stating the 2674  
effective date of the amendments, enactments, and repeals that are 2675  
delayed under this section. 2676

(B) The Superintendent shall continue to enforce requirements 2677  
of the sections listed in division (A) of this section, as they 2678  
existed immediately prior to the effective date of this act, until 2679  
the Superintendent implements requirements amended, enacted, or 2680  
repealed by this act pursuant to division (A) of this section. 2681

**Section 7.** Sections 1753.33 and 3903.83 of the Revised Code, 2682  
as amended by this act, shall take effect on January 1, 2012, for 2683  
year-end 2012 results. 2684

**Section 8.** Section 3956.04 of the Revised Code, as amended by 2685  
this act, shall not apply to any liability incurred by the Ohio 2686  
Life and Health Insurance Guaranty Association from an insurer 2687  
that is an impaired or insolvent insurer on the effective date of 2688  
this act. 2689

**Section 9.** (A) Notwithstanding the duration of coverage 2690  
specified in sections 1751.53 and 3923.38 of the Revised Code, a 2691  
group contract or group policy that is delivered, issued for 2692  
delivery, or renewed in this state on or after the effective date 2693

of this act shall provide that any eligible employee may continue 2694  
the coverage under the contract or policy, for the employee and 2695  
the employee's eligible dependents, for the length of time for 2696  
which the employee is eligible for federal continuation coverage 2697  
premium subsidies but not longer than fifteen months after the 2698  
date that the group coverage would otherwise terminate by reason 2699  
of the termination of the employee's employment. Expiration of the 2700  
subsidized period or fifteen months, whichever occurs first, shall 2701  
end the employee's privilege to continue coverage and shall end 2702  
any coverage being continued pursuant to this section. 2703

As used in this section: 2704

(1) "Group contract" has the same meaning as in section 2705  
1751.53 of the Revised Code. 2706

(2) "Group policy" has the same meaning as in section 3923.38 2707  
of the Revised Code. 2708

(3) "Eligible employee" has the same meaning as in section 2709  
1751.53 of the Revised Code for purposes of group contracts and 2710  
the same meaning as in section 3923.38 of the Revised Code for 2711  
purposes of group policies, but includes only those individuals 2712  
who are eligible for continuation coverage premium subsidies from 2713  
the federal government. 2714

(B) This section does not apply to an individual who is not 2715  
an eligible employee as defined under division (A)(3) of this 2716  
section. 2717

**Section 10.** Section 9 of this act shall apply until the day 2718  
after the last loss-of-employment date for which the federal 2719  
government is subsidizing continuation coverage. 2720

**Section 11.** This act is hereby declared to be an emergency 2721  
measure necessary for the immediate preservation of the public 2722

peace, health, and safety. The reason for such a necessity is to 2723  
provide as many Ohioans as possible the opportunity to take 2724  
advantage of federal subsidies for the continuation of health 2725  
insurance coverage following a loss of employment. Therefore, this 2726  
act shall go into immediate effect. 2727