

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

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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**

Senator Schaffer

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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 insuring corporation shall prepare and submit to the superintendent an RBC plan that shall do all of the following:

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

(2) Contain proposals of corrective actions that the health insuring corporation intends to take to eliminate the conditions contributing to the company action level event;

(3) Provide projections of the health insuring corporation's financial results in the current year and at least the two 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 balance sheets, operating income, net income, capital, surplus, and RBC levels. Projections for both new and renewal business may include separate projections for each major line of business, and may separately identify each significant income, expense, and benefit component of the projection.

(4) Identify the key assumptions impacting the health insuring corporation's projections made pursuant to division (B)(3) of this section, and describe the sensitivity of the projections to the assumptions;

(5) Identify the quality of, and problems associated with, the health insuring corporation's business, including, but not limited to, its assets, anticipated business growth and associated surplus strain, extraordinary exposure to risk, mix of business, and the use of reinsurance, if any, in each case.

(C) The RBC plan shall be submitted within forty-five days after a company action level event. However, if a health insuring corporation has challenged an adjusted RBC report pursuant to section 1753.37 of the Revised Code, an RBC plan need not be

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

Sec. 3903.81. 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

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| 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 |
| Sec. 3903.83. (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

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| 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 |

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| 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 or 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 administrative or court order | 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

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| <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 |
| (21) (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 |
| (22) (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 |
| (23) (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 |
| (24) (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 |
| (25) (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 |
| (26) (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

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| to divide, any commission, <u>premium, or fee;</u> | 994 |
| (31) (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 |
| (32) (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 |
| (33) (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 |

lines of authority held in this state; 1025

(39) Knowingly aiding and abetting another person or entity 1026
in the violation of any insurance law of this state or the rules 1027
adopted under it. 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

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| (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 individual insurance agent except applicants for licensure as limited lines insurance <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

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| 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 Ohio <u>national</u> association of life underwriters <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) <u>Prisoners incarcerated in any jail, prison, or any other place used for the incarceration of persons;</u> | 1634 1635 |
| (C) Peace officers as defined in section 2921.51 of the Revised Code, <u>including volunteer or honorary peace officers,</u> or other employees of a law enforcement agency; | 1636 1637 1638 |
| (C) (D) Committing magistrates, <u>judges,</u> employees of a court, or employees of the clerk of any court; | 1639 1640 |
| (D) (E) Attorneys <u>or any person employed at an attorney's office;</u> | 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 1644 1645 |
| Sec. 3905.85. (A) An applicant <u>(1) An individual who applies</u> 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 1647 1648 1649 1650 1651 1652 1653 |
| The <u>(2) An applicant for an individual resident license</u> shall also request <u>submit</u> 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 1655 1656 1657 1658 1659 1660 1661 |

~~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.~~

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

~~(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:~~

~~+1)(a) The applicant is eighteen years of age or older.~~

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

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

~~+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.~~

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

~~(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.~~

~~(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~~

| | |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|
| <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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1725

(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
1727
1728

(b) The applicant is currently licensed and is in good standing in the applicant's home state with surety bail bond authority. 1729
1730
1731

(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
1733
1734

(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
1736
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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
1750
1751
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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
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~~(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
2014
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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
2021

(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

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| (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 |
| (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. | 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 |

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| (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 |
| Sec. 3956.04. (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 |

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| (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

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| 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) One <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, one <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

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| with respect to the group; | 2513 |
| (4) Any information that may be required to verify, to the superintendent's satisfaction, its continuing qualification as a risk retention group under division (J) of section 3960.01 of the Revised Code. | 2514 2515 2516 2517 |
| (C)(1) Agents or brokers for the risk retention group shall report to the superintendent the premiums for direct business for risks resident or located within this state that they have placed with or on behalf of a risk retention group not chartered in this state. | 2518 2519 2520 2521 2522 |
| (2) The agent or broker shall keep a complete and separate record of all policies procured from each risk retention group, which record shall be open to examination by the superintendent. These records shall, for each policy and each kind of insurance provided, include the following: | 2523 2524 2525 2526 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 policy; | 2531 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 state shall do both of the following: | 2535 2536 |
| (1) On or before the thirty-first day of January <u>March</u> , pay to the treasurer of state five per cent of all premiums, fees, assessments, dues, or other consideration for the preceding one-year period <u>calendar year</u> for risks resident or located in this state, as calculated on a form prescribed by the treasurer of state. If such tax is not paid when due, the tax shall be | 2537 2538 2539 2540 2541 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