

As Introduced

**129th General Assembly
Regular Session
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S. B. No. 102

Senator Bacon

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A B I L L

To amend sections 3901.17, 3905.30, 3905.31, 3905.33, 1
3905.34, 3905.36, 3905.37, and 3905.38 and to 2
enact section 3905.331 of the Revised Code to 3
exempt state surplus lines insurance from 4
regulation in Ohio when Ohio is not the home state 5
of the insured and to make other changes to the 6
law regulating surplus lines insurance. 7

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

Section 1. That sections 3901.17, 3905.30, 3905.31, 3905.33, 8
3905.34, 3905.36, 3905.37, and 3905.38 be amended and section 9
3905.331 of the Revised Code be enacted to read as follows: 10

Sec. 3901.17. (A) As used in this section: 11

(1) "Captive insurer" has the meaning defined in section 12
3905.36 of the Revised Code. 13

(2) "Insurer" includes, but is not limited to, any person 14
that is an affiliate of or affiliated with the insurer, as defined 15
in division (A) of section 3901.32 of the Revised Code, and any 16
person that is a subsidiary of the insurer as defined in division 17
(F) of section 3901.32 of the Revised Code. 18

(3) "Laws of this state relating to insurance" has the 19

meaning defined in division (A)(1) of section 3901.04 of the Revised Code. 20
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(4) "Person" has the meaning defined in division (A) of section 3901.19 of the Revised Code. 22
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(5) "Home state" has the same meaning as in section 3905.30 of the Revised Code. 24
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(B) Any of the following acts in this state, effected by mail or otherwise, by any foreign or alien insurer not authorized to transact business within this state, any nonresident person acting on behalf of an insurer, or any nonresident insurance agent subjects the insurer, person, or agent to the exercise of personal jurisdiction over the insurer, person, or agent to the extent permitted by the constitutions of this state and of the United States: 26
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(1) Issuing or delivering contracts of insurance to residents of this state or to corporations authorized to do business therein; 34
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(2) Making or proposing to make any insurance contracts; 37

(3) Soliciting, taking, or receiving any application for insurance; 38
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(4) Receiving or collecting any premium, commission, membership fee, assessment, dues, or other consideration for any insurance contract or any part thereof; 40
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(5) Disseminating information as to coverage or rates, forwarding applications, inspecting risks, fixing rates, investigating or adjusting claims or losses, or transacting any matters subsequent to effecting a contract of insurance and arising out of it; 43
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(6) Doing any kind of business recognized as constituting the doing of an insurance business under Title XXXIX of the Revised 48
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Code or subject to regulation by the superintendent of insurance 50
under the laws of this state relating to insurance. 51

Any such act shall be considered to be the doing of an 52
insurance business in this state by such insurer, person, or agent 53
and shall be its agreement that service of any lawful subpoena, 54
notice, order, or process is of the same legal force and validity 55
as personal service of the subpoena, notice, order, or process in 56
this state upon the insurer, person, or agent. 57

(C) Service of process in judicial proceedings shall be as 58
provided by the Rules of Civil Procedure. Service in or out of 59
this state of notice, orders, or subpoenas in administrative 60
proceedings before the superintendent shall be as provided in 61
section 3901.04 of the Revised Code. 62

(D) Service of any notice, order, subpoena, or process in any 63
such action, suit, or proceeding shall, in addition to the manner 64
provided in division (C) of this section, be valid if served upon 65
any person within this state who, in this state on behalf of such 66
insurer, person, or agent is or has been: 67

(1) Soliciting, procuring, effecting, or negotiating for 68
insurance; 69

(2) Making, issuing, or delivering any contract of insurance; 70

(3) Collecting or receiving any premium, membership fees, 71
assessment, dues, or other consideration for insurance; 72

(4) Disseminating information as to coverage or rates, 73
forwarding applications, inspecting risks, fixing rates, 74
investigating or adjusting claims or losses, or transacting any 75
matters subsequent to effecting a contract of insurance and 76
arising out of it. 77

(E) Nothing in this section shall limit or abridge the right 78
to serve any subpoena, order, process, notice, or demand upon any 79

insurer, person, or agent in any other manner permitted by law. 80

(F) Every person investigating or adjusting any loss or claim 81
under a policy of insurance not excepted under division (I) of 82
this section and issued by any such insurer and covering a subject 83
of insurance that was resident, located, or to be performed in 84
this state at the time of issuance shall immediately report the 85
policy to the superintendent. 86

(G) ~~Each~~ If this state is the home state of the insured, each 87
such insurer that does any of the acts set forth in division (B) 88
of this section ~~in this state by mail or otherwise~~ shall be 89
subject to a tax of five per cent on the gross premiums, 90
~~membership fees, assessments, dues, and other considerations~~ 91
~~received on all contracts of insurance covering subjects of~~ 92
~~insurance resident, located, or to be performed within this state.~~ 93
~~Such insurer shall annually, on or before the first day of July,~~ 94
~~pay such tax to the treasurer of state, as calculated on a form~~ 95
~~prescribed by the treasurer of state. If the tax is not paid when~~ 96
~~due, the tax shall be increased by a penalty of twenty five per~~ 97
~~cent. An interest charge computed as set forth in section 5725.221~~ 98
~~of the Revised Code shall be made on the entire sum of the tax~~ 99
~~plus penalty, which interest shall be computed from the date the~~ 100
~~tax is due until it is paid. The treasurer of state shall~~ 101
~~determine and report all claims for penalties and interest~~ 102
~~accruing under this section to the attorney general for collection~~ 103
the requirements of section 3905.36 of the Revised Code. 104

~~For purposes of this division, payment is considered made~~ 105
~~when it is received by the treasurer of state, irrespective of any~~ 106
~~United States postal service marking or other stamp or mark~~ 107
~~indicating the date on which the payment may have been mailed.~~ 108

(H) No contract of insurance effected in this state by mail 109
or otherwise by any such insurer is enforceable by the insurer. 110

(I) This section does not apply to:	111
(1) Insurance obtained pursuant to sections 3905.30 to 3905.36 of the Revised Code;	112 113
(2) The transaction of reinsurance by insurers;	114
(3) Transactions in this state involving a policy solicited, written, and delivered outside this state covering only subjects of insurance not resident, located, or to be performed in this state at the time of issuance, provided such transactions are subsequent to the issuance of the policy;	115 116 117 118 119
(4) Transactions in this state involving a policy of group life or group accident and sickness insurance solicited, written, and delivered outside this state;	120 121 122
(5)(4) Transactions involving contracts of insurance independently procured through negotiations occurring entirely outside this state which are reported to the superintendent and with respect to which the tax provided by <u>is paid in accordance with</u> section 3905.36 of the Revised Code is paid;	123 124 125 126 127
(6)(5) An attorney at law acting on behalf of the attorney's clients in the adjustment of claims or losses;	128 129
(7) Except as provided in division (G) of this section, any insurance company underwriter issuing contracts of insurance to employer insureds or contracts of insurance issued to an employer insured. For purposes of this section, an "employer insured" is an insured to whom all of the following apply:	130 131 132 133 134
(a) The insured procures the insurance of any risk or risks by use of the services of a full time employee acting as an insurance manager or buyer or the services of a regularly and continuously qualified insurance consultant. As used in division (I)(7)(a) of this section, a "regularly and continuously qualified insurance consultant" does not include any person licensed under	135 136 137 138 139 140

~~Chapter 3905. of the Revised Code.~~ 141

~~(b) The insured's aggregate annual premiums for insurance on
all risks total at least twenty five thousand dollars; and~~ 142
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~~(c) The insured has at least twenty five full-time employees.~~ 144

~~(8)(6) Ocean marine insurance;~~ 145

~~(9)(7) Transactions involving policies issued by a captive
insurer.~~ 146
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Sec. 3905.30. (A) As used in sections 3905.30 to 3905.38 of 148
the Revised Code: 149

(1) Notwithstanding section 3905.01 of the Revised Code, 150
"home state" means the state in which an insured maintains its 151
principal place of business or, in the case of an individual, the 152
individual's principal residence except in the case of either of 153
the following: 154

(a) If one hundred per cent of the insured risk is located 155
out of the state in which an insured maintains its principal place 156
of business or principle residence as described in division 157
(A)(1)(a) of this section, "home state" means the state to which 158
the greatest percentage of the insured's taxable premium for that 159
insurance contract is allocated. 160

(b) If more than one insured from an affiliated group are 161
named insureds on a single unauthorized insurance contract, "home 162
state" means the state in which the member of the affiliated group 163
that has the largest percentage of premium attributed to it under 164
such insurance contract an insured maintains its principal place 165
of business. 166

(2) "Principal place of business" means the state where the 167
insured maintains the insured's headquarters and where the 168
insured's high-level officers direct, control, and coordinate the 169
business activities of the insured. 170

(B) The superintendent of insurance may issue a surplus ~~line~~ lines broker's license to any natural person who is a resident of this or any other state or to a business entity that is organized under the laws of this or any other state. To be eligible for a resident surplus ~~line~~ lines broker's license, a person must have both a property license and a casualty license. To be eligible for a nonresident surplus ~~line~~ lines broker's license, a person must hold an active surplus ~~line~~ lines broker license in the person's home state. A nonresident surplus ~~line~~ lines broker shall obtain a nonresident license with a property and casualty line of authority in this state if the broker is or will be personally performing the due diligence requirements under section 3905.33 of the Revised Code.

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

Sec. 3905.31. (A) No person not licensed under section 3905.30 of the Revised Code shall take or receive any application for such insurance upon property or persons in this state, or receive or collect a premium or any part thereof for any unauthorized insurance company, or attempt or assist in any such act, or perform any act in this state concerning any policy or contract of insurance of any unauthorized insurance company provided that any duly licensed property and casualty agent may place business with an agent licensed under section 3905.30 of the Revised Code and may accept compensation therefor, if such insurance is written in conformity with the insurance laws of this state. ~~This~~

(B) This section does not apply to any selling, soliciting, or negotiating of surplus lines insurance by a surplus lines broker that takes place in an insured's home state if the home state of the insured is a state other than this state. 202
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(C) This section does not apply to those engaged in the act of adjusting claims or losses in connection with any policy of insurance written under the provisions of sections 3905.30 to 3905.35 of the Revised Code. 206
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Sec. 3905.33. (A) No person licensed under section 3905.30 of the Revised Code shall solicit, procure an application for, bind, issue, renew, or deliver a policy with any insurer that is not eligible to write insurance on ~~a surplus line~~ an unauthorized basis in this state. 210
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~~To~~ Unless the superintendent of insurance enters into a multistate agreement or compact under division (E) of this section, the superintendent may establish the eligibility of an unauthorized insurer, the superintendent of insurance may request by requesting copies of the insurer's most recent financial statements; instruments such as domestic trust agreements, powers of attorney, and investment management contracts; ~~biographies of the owners and managers of the insurer;~~ and any other information the superintendent believes may be helpful in determining an insurer's ~~suitability~~ eligibility. The ~~suitability~~ eligibility of each unauthorized insurer is subject to the continuous scrutiny and discretion of the superintendent. 215
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(B)(1) No ~~insurance agent or surplus line~~ lines broker shall solicit, procure, place, or renew any insurance with an unauthorized insurer unless ~~the~~ an agent or surplus ~~line~~ lines broker has complied with the due diligence requirements of this section and is unable to procure the requested insurance from an authorized insurer. 227
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Due diligence requires ~~the an agent or surplus line broker~~ to 233
contact at least five of the authorized insurers the agent ~~or~~ 234
~~surplus line broker~~ represents, or as many insurers as the agent 235
~~or surplus line broker~~ represents, that customarily write the kind 236
of insurance required by the insured. Due diligence is presumed if 237
declinations are received from each authorized insurer contacted. 238
If any authorized insurer fails to respond within ten days after 239
the initial contact, the agent or surplus line broker may assume 240
the insurer has declined to accept the risk. 241

(2) Due diligence shall only be performed by an agent 242
licensed in this state that holds an active property and casualty 243
insurance license. 244

(3) An insurance agent or surplus line lines broker is exempt 245
from the due diligence requirements of this section if the agent 246
or surplus line broker is procuring insurance from a risk 247
purchasing group or risk retention group as provided in Chapter 248
3960. of the Revised Code. 249

(4) An insurance agent or surplus lines broker is exempt from 250
the due diligence requirements of this section if the agent or 251
surplus lines broker is seeking to procure or place unauthorized 252
insurance for a person that qualifies as an exempt commercial 253
purchaser under section 3905.331 of the Revised Code and both of 254
the following are true: 255

(a) The surplus lines broker procuring or placing the surplus 256
lines insurance has disclosed to the exempt commercial purchaser 257
that the insurance may or may not be available from the authorized 258
market that may provide greater protection with more regulatory 259
oversight. 260

(b) After receipt of the disclosure required under division 261
(B)(4)(a) of this section, the exempt commercial purchaser has 262
requested in writing that the insurance agent or broker procure or 263

place the insurance from an unauthorized insurer. 264

(C) ~~An~~ Except when exempt from due diligence requirements 265
under division (B) of this section, an insurance agent who 266
procures or places insurance through a surplus ~~line~~ lines broker 267
shall obtain an affidavit from the insured acknowledging that the 268
insurance policy is to be placed with a company or insurer not 269
authorized to do business in this state and acknowledging that, in 270
the event of the insolvency of the insurer, the insured is not 271
entitled to any benefits or proceeds from the Ohio insurance 272
guaranty association. The affidavit must be on a form prescribed 273
by the superintendent. The agent shall submit the ~~original~~ 274
originally executed affidavit to the surplus ~~line~~ lines broker 275
within thirty days after the effective date of the policy. If no 276
other agent is involved, the surplus ~~line~~ lines broker shall 277
obtain the affidavit from the insured. 278

The surplus ~~line~~ lines broker shall ~~keep~~ maintain the 279
~~original~~ originally executed affidavit or a copy of the affidavit, 280
and the originating agent shall keep a copy of the affidavit, for 281
at least five years after the effective date of the policy to 282
which the affidavit pertains. A copy of the affidavit shall be 283
given to the insured at the time the insurance is bound or a 284
policy is delivered. 285

(D) The superintendent may adopt rules in accordance with 286
Chapter 119. of the Revised Code to carry out the purposes of 287
sections 3905.30 to 3905.38 of the Revised Code. 288

(E) For the purpose of carrying out the "Nonadmitted and 289
Reinsurance Reform Act of 2010," 15 U.S.C. 8201 et seq., 124 Stat. 290
1589, or any successor or replacement law, the superintendent may 291
enter into a multi-state agreement or compact for determining 292
eligibility for placement of unauthorized insurance and for 293
payment, reporting, collection, and allocation of the tax on 294
unauthorized insurance. The multi-state agreement or compact also 295

may include eligibility for placement of unauthorized insurance 296
and payment, reporting, collection, and allocation of the tax on 297
unauthorized insurance for risks that are not multi-state, and for 298
independently procured insurance in the unauthorized market. 299

Sec. 3905.331. (A) A person purchasing commercial insurance 300
qualifies as an exempt commercial purchaser if, at the time of 301
placement, the exempt commercial purchaser satisfies all of the 302
following requirements: 303

(1) The person employs or retains a qualified risk manager to 304
negotiate insurance coverage. 305

(2) The person has paid aggregate nationwide commercial 306
property and casualty insurance premiums in excess of one hundred 307
thousand dollars in the immediately preceding twelve months. 308

(3) The person satisfies at least one of the following 309
criteria: 310

(a) The person possesses a net worth in excess of twenty 311
million dollars, as adjusted pursuant to division (B) of this 312
section. 313

(b) The person generates annual revenues in excess of fifty 314
million dollars, as adjusted pursuant to division (B) of this 315
section. 316

(c) The person employs more than five hundred full-time or 317
full-time equivalent employees per individual insured or is a 318
member of an affiliated group employing more than one thousand 319
employees in the aggregate. 320

(d) The person is a not-for-profit organization or public 321
entity generating annual budgeted expenditures of at least thirty 322
million dollars, as adjusted pursuant to division (B) of this 323
section. 324

(e) The person is a municipality with a population in excess 325

of fifty thousand persons. 326

(B) Effective on January 1, 2015, and every five years 327
thereafter, the superintendent of insurance shall adjust the 328
dollar amounts in division (A) of this section to reflect the 329
percentage change for that five-year period in the consumer price 330
index for all urban consumers published by the bureau of labor 331
statistics of the United States department of labor. 332

(C) A qualified risk manager employed or retained to 333
negotiate insurance by an exempt commercial purchaser under this 334
section shall satisfy all of the following requirements: 335

(1) The person is an employee of, or third-party consultant 336
retained by, the commercial policyholder. 337

(2) The person provides skilled services in loss prevention, 338
loss reduction, or risk and insurance coverage analysis and the 339
purchase of insurance. 340

(3) The person satisfies one of the following: 341

(a) The person has obtained a bachelor's degree or a higher 342
degree from an accredited college or university in risk 343
management, business administration, finance, economics, or any 344
other field determined by a state insurance commissioner or other 345
state regulatory official or entity to demonstrate minimum 346
competence in risk management, and either has three years of 347
experience in risk financing, claims administration, loss 348
prevention and insurance analysis, or purchasing commercial lines 349
of insurance or has one of the following designations: 350

(i) A designation as a chartered property and casualty 351
underwriter issued by the American institute for CPCU/insurance of 352
America; 353

(ii) A designation as an associate in risk management issued 354
by the American institute for CPCU/insurance institute of America; 355

<u>(iii) A designation as certified risk manager issued by the national alliance for insurance education and research;</u>	356
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<u>(iv) A designation as a RIMS fellow issued by the global risk management institute;</u>	358
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<u>(v) Any other designation, certification, or license determined by the superintendent to demonstrate minimum competency in risk management.</u>	360
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<u>(b) The person has at least seven years of experience in risk financing, claims administration, loss prevention, risk and insurance coverage analysis, or purchasing commercial lines of insurance; and has any one of the designations specified in division (B)(3)(a) of this section.</u>	363
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<u>(c) The person has at least ten years of experience in risk financing, claims administration, loss prevention, risk and insurance coverage analysis, or purchasing commercial lines of insurance.</u>	368
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<u>(d) The person has a graduate degree from an accredited college or university in risk management, business administration, finance, economics, or any other field determined by the superintendent to demonstrate minimum competence in risk management.</u>	372
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Sec. 3905.34. Each person licensed under section 3905.30 of the Revised Code shall keep a separate account of the business done under the person's license. On or before the thirty-first day of January <u>March or when required under a multi-state agreement or compact entered into by the superintendent of insurance as authorized by division (E) of section 3905.33 of the Revised Code,</u> each surplus line <u>lines</u> broker shall file with the superintendent of insurance the portion of that account that <u>details of the</u> business done during the preceding calendar year <u>in the format</u>	377
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~~prescribed by the superintendent. The account must show the amount 386
of such insurance, the name of the insured, a brief description of 387
the type of insurance, the location of the property, the gross 388
premium charged, the name of the insurer, the date of the policy 389
and term thereof, and a report in the same detail of all such 390
policies canceled and the gross return premiums thereon. 391~~

Sec. 3905.36. (A) ~~Except as provided in divisions (B) and (C) 392
of this section, every Every insured association, company, 393
corporation, or other person that enters, directly or indirectly, 394
into any ~~agreements~~ independent procurement or direct placement 395
agreement with any insurance company, association, individual, 396
firm, underwriter, or Lloyd's, not authorized to do business in 397
this state, whereby the insured shall procure, continue, or renew 398
contracts of insurance ~~covering subjects of insurance resident,~~ 399
~~located, or to be performed within this state,~~ with such 400
unauthorized insurance company, association, individual, firm, 401
underwriter, or Lloyd's, for which insurance there is a gross 402
premium, ~~membership fee, assessment, dues, or other consideration~~ 403
~~charged or collected,~~ shall file the details of the transaction 404
annually, on or before the thirty-first day of March, ~~return to~~ 405
~~the superintendent of insurance a statement under oath showing the~~ 406
~~name and address of the insured, name and address of the insurer,~~ 407
~~subject of the insurance, general description of the coverage, and~~ 408
~~amount of gross premium, fee, assessment, dues, or other~~ 409
~~consideration for such insurance for the preceding calendar year~~ 410
and shall at the same time pay to the treasurer of state a tax of 411
five per cent of such gross premium, ~~fee, assessment, dues, or~~ 412
~~other consideration,~~ after a deduction for return premium, if any, 413
as calculated ~~on a form~~ in the ~~prescribed by the treasurer of~~ 414
~~state. All~~ format or in compliance with any requirements of a 415
multi-state agreement or compact entered into by the 416
superintendent pursuant to division (E) of section 3905.33 of the 417~~

Revised Code. An insurer may submit the required details of the 418
transaction and remit the tax payment on behalf of an insured. 419

All taxes collected under this section ~~by the treasurer of~~ 420
~~state~~ shall be paid into the general revenue fund. If the tax is 421
not paid when due, the tax shall be increased by a penalty of 422
twenty-five per cent. An interest charge computed as set forth in 423
section 5725.221 of the Revised Code shall be made on the entire 424
sum of the tax plus penalty, which interest shall be computed from 425
the date the tax is due until it is paid. For purposes of this 426
section, payment is considered made when it is received ~~by the~~ 427
~~treasurer of state~~, irrespective of any United States postal 428
service marking or other stamp or mark indicating the date on 429
which the payment may have been mailed. 430

The superintendent of insurance, in the superintendent's sole 431
discretion, may waive the twenty-five per cent penalty and 432
interest charge thereon for a first-time, inadvertent nonpayment 433
of the tax when due if the nonpayment is reported immediately upon 434
discovery and the outstanding tax is thereafter immediately paid 435
to the superintendent. 436

(B) This section does not apply to: 437

(1) ~~Transactions in this state involving a policy solicited,~~ 438
~~written, and delivered outside this state covering only subjects~~ 439
~~of insurance not resident, located, or to be performed in this~~ 440
~~state at the time of issuance, provided such transactions are~~ 441
~~subsequent to the issuance of the policy~~ An insured otherwise 442
exempt from the payment of premium or franchise taxes under state 443
or federal law; 444

(2) Attorneys-at-law acting on behalf of their clients in the 445
adjustment of claims or losses; 446

(3) Transactions involving policies issued by a captive 447
insurer. For this purpose, a "captive insurer" means any of the 448

following: 449

(a) An insurer owned by one or more individuals or 450
organizations, whose exclusive purpose is to insure risks of one 451
or more of the parent organizations or individual owners and risks 452
of one or more affiliates of the parent organizations or 453
individual owners; 454

(b) In the case of groups and associations, insurers owned by 455
the group or association whose exclusive purpose is to insure 456
risks of members of the group or association and affiliates of the 457
members; 458

(c) Other types of insurers, licensed and operated in 459
accordance with the captive insurance laws of their jurisdictions 460
of domicile and operated in a manner so as to self-insure risks of 461
their owners and insureds. 462

(4) Professional or medical liability insurance procured by a 463
hospital organized under Chapter 3701. of the Revised Code; 464

(5) Insurance with an initial policy period of more than 465
three years and that is procured to cover known events related to 466
environmental remediation that occurred prior to the effective 467
date of that insurance; 468

(6) Insurance procured on behalf of an entity that 469
manufactures, packages, and sells, as more than fifty per cent of 470
the entity's business, pharmaceutical products for human use where 471
the production, packaging, and sale of such products are subject 472
to regulation by an agency of the United States; 473

(7) A political subdivision or any combination or consortium 474
of two or more political subdivisions. 475

~~(C) In transactions that are subject to sections 3905.30 to~~ 476
~~3905.35 of the Revised Code, each~~ Each person licensed under 477
section 3905.30 of the Revised Code shall pay to the treasurer of 478

state, on or before the thirty-first day of March of each year, 479
five per cent of the balance of the gross premiums charged for 480
insurance placed or procured under the license after a deduction 481
for return premiums, ~~as reported on a form~~ in the prescribed by 482
~~the treasurer of state~~ format or in compliance with any 483
requirements of a multi-state agreement or compact entered into by 484
the superintendent pursuant to division (E) of section 3905.33 of 485
the Revised Code. The tax shall be collected from the insured by 486
the surplus ~~line~~ lines broker who placed or procured the policy of 487
insurance at the time the policy is delivered to the insured. No 488
license issued under section 3905.30 of the Revised Code shall be 489
renewed until payment is made. If the tax is not paid when due, 490
the tax shall be increased by a penalty of twenty-five per cent. 491
An interest charge computed as set forth in section 5725.221 of 492
the Revised Code shall be made on the entire sum of the tax plus 493
penalty, which interest shall be computed from the date the tax is 494
due until it is paid. For purposes of this section, payment is 495
considered made when it is received ~~by the treasurer of state,~~ 496
irrespective of any United States postal service marking or other 497
stamp or mark indicating the date on which the payment may have 498
been mailed. 499

The superintendent, in the superintendent's sole discretion, 500
may waive the twenty-five per cent penalty and interest charge 501
thereon for a first-time, inadvertent nonpayment of the tax when 502
due if the nonpayment is reported immediately upon discovery and 503
the outstanding tax is thereafter immediately paid to the 504
superintendent. 505

(D) As used in this section: 506

(1) "Political subdivision" means any county; municipal 507
corporation; township; township police district; township fire 508
district; joint fire district; joint ambulance district; joint 509
emergency medical services district; fire and ambulance district; 510

joint recreation district; township waste disposal district; 511
township road district; community college district; technical 512
college district; detention facility district; a district 513
organized under section 2151.65 of the Revised Code; a combined 514
district organized under sections 2151.65 and 2152.41 of the 515
Revised Code; a joint-county alcohol, drug addiction, and mental 516
health service district; a drainage improvement district created 517
under section 6131.52 of the Revised Code; a union cemetery 518
district; a county school financing district; a city, local, 519
exempted village, cooperative education, or joint vocational 520
school district; or a regional student education district created 521
under section 3313.83 of the Revised Code, any public division, 522
district, commission, authority, department, board, officer, or 523
institution of any one or more of those subdivisions, that is 524
entirely or substantially supported by public tax moneys. 525

(2) "Municipal corporation" means all municipal corporations, 526
including those that have adopted a charter under Article XVIII, 527
Ohio Constitution. 528

Sec. 3905.37. No person, company, association, or corporation 529
shall fail to make the report required in section 3905.36 of the 530
Revised Code and to furnish all the information that is ~~required~~ 531
~~by the treasurer of state~~ to determine the amount due under that 532
section. 533

Sec. 3905.38. (A) Sections 3905.30 to 3905.37 of the Revised 534
Code do not apply in any case where this state is not the home 535
state of the insured. 536

(B) Sections 3905.36 to 3905.38, ~~inclusive,~~ of the Revised 537
Code do not extend to private citizens, firms, or corporations, 538
residents of this state, who seek to provide indemnity among 539
themselves, from fire loss or other casualty, by exchange of 540

private contracts for protection only and not for profit, nor 541
apply to life or accident and sickness insurance. Sections 3905.30 542
through 3905.37, ~~inclusive~~, of the Revised Code do not apply to 543
ocean marine insurance when placed by licensed agents of this 544
state. 545

Section 2. That existing sections 3901.17, 3905.30, 3905.31, 546
3905.33, 3905.34, 3905.36, 3905.37, and 3905.38 of the Revised 547
Code are hereby repealed. 548