



Ohio Revised Code

Section 3911.20 Prohibition against rebates and special favors - bonuses and industrial insurance excepted.

Effective: August 11, 1959

Legislation: Senate Bill 64 - 103rd General Assembly

No life insurance company doing business in this state, whether on the group insurance or any other plan, shall make or permit any distinction or discrimination in favor of individuals between insured persons of the same class and equal expectation of life in the amount or payment of premiums, or in rates charged for policies of insurance, or in the dividends or other benefits payable thereon, or in any other of the terms and conditions of the contracts it makes. No such company, or any agent thereof, shall make any contract of insurance or agreement as to such contract, other than as plainly expressed in the policy issued thereon.

No life insurance company doing business in this state, or any officer, agent, employee, or representative thereof, nor any other person, shall pay, allow, or give, or offer to pay, allow, or give, directly or indirectly, as an inducement to insurance, nor shall any person, partnership or corporation knowingly receive as such inducement to insurance, any rebate of premium payable on the policy or any special favor or advantage in the dividends or other benefits to accrue thereon, or any special advantage in the date of a policy or date of the issue thereof, or any valuable consideration or inducement. Nor shall such company or person give, receive, sell, or purchase, or offer to give, receive, sell, or purchase, as inducements to insurance or in connection therewith, any stocks, bonds, or other obligations or securities of any insurance company or other corporation, association, partnership, or individual, or any dividends or profits to accrue thereon, or any paid employment or contract for service of any kind, or anything of value; nor shall such company or person give or offer to give, or enter into any separate agreement promising to secure, as an inducement or consideration for insurance, the loan of any money, either directly or indirectly, or any contract for services; nor shall such company or person require as a condition of or in connection with the granting of a loan, that the applicant or borrower or any other person, either directly or indirectly, acquire a policy of life or accident and health insurance from any particular company, agent, or person.

No person shall receive or accept from any company, agent, subagent, or any other person any such rebate of premium payable on the policy, or any special favor or advantage in the dividend or other



benefits to accrue thereon, or any valuable consideration or inducement not specified in the policy of insurance. No person shall be excused from testifying or from producing any books, papers, contracts, agreements, or documents at the trial of any other person charged with violation of this section, upon the ground that such testimony or evidence may tend to incriminate, but no person shall be prosecuted or subjected to any penalty or forfeiture on account of any transaction, matter, or thing concerning which he so testifies or produces evidence, and no testimony so given or produced shall be received against him upon any criminal investigation or proceeding involving rebates or violation of insurance laws.

This section does not prohibit any company issuing nonparticipating life insurance from paying bonuses to policyholders or otherwise abating their premiums out of surplus accumulated from nonparticipating insurance; nor does it prohibit any company which transacts industrial insurance on the weekly payment plan from returning to policyholders, who have made premium payments for a period of at least one year directly to the company at its home or district offices, a percentage of the premium which the company would have paid for the weekly collection of such payments.

In so far as it is adaptable to the conduct of such business, this section is also applicable to the sale and purchase of annuities by and from life insurance companies.