



## Ohio Revised Code

### Section 3939.01 Organizing mutual protective associations.

Effective: September 4, 2014

Legislation: Senate Bill 140 - 130th General Assembly

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(A) Any number of persons of lawful age, not less than ten in number, owning insurable property in this state, may associate themselves together for the purpose of insuring each other against the risk of direct physical loss or damage to property in this state, including theft of property in this state, except loss or damage to motor vehicles caused by collision. Any association organized under this section shall file with the department of insurance all policy forms currently in use by the association and all additions, deletions, or amendments to the policy forms at least thirty days prior to the use of the policy forms, additions, deletions, or amendments. Each filing under this division is deemed approved thirty days after the filing is received by the superintendent of insurance, unless the filing is disapproved by the superintendent during that thirty-day period.

(B) Any association organized under this section, from time to time, may assess upon and collect from its members or other responsible parties sums of money that are necessary to pay expenses and losses that occur, or are anticipated to occur, from those covered perils. The assessment and collection of those sums of money shall be regulated by the constitution of the association adopted under section 3939.06 of the Revised Code. The constitution shall require the assessments to be made directly and specifically upon the members or other responsible parties, and to be paid by them out of any funds paid to or deposited with the association in anticipation of assessments. Any association organized under this section may borrow money for the payment of losses and associated expenses, but those loans shall not be made for a period of time that extends beyond the collection of the association's next assessment.

(C) Any association organized under this section may accumulate a surplus from its assessments. Except as provided in division (D) of this section, that surplus and all other funds received or accumulated in the course of business shall be invested under sections 3925.05 and 3925.08 of the Revised Code. Upon prior approval of the superintendent of insurance, the association may invest that surplus and those other funds in real estate for the association's convenient accommodation in the transaction of its business. The association shall not have at any one time more than ten per cent of its admitted assets invested in real estate.



(D) An association organized under this section may seek permission from the superintendent of insurance to invest funds under Chapter 3906. of the Revised Code and may invest funds under that chapter if such permission is granted.

(E) Any association organized under this section may insure farm buildings, residential and detached dwellings, outbuildings, churches, township buildings, grange buildings, farm machinery, equipment, and other farm personal property, household goods and personal effects, pleasure and utility vehicles, and other similar property, except motor vehicles titled or capable of being titled for use on public roads and property used exclusively for commercial or industrial purposes.

The property described in this division may be classified only for the purpose of determining and levying assessments, and that property may be located within or without the limits of any municipal corporation.

(F) Any association organized under this section may collect a charge on each contract of insurance in accordance with its constitution adopted under section 3939.06 of the Revised Code.

(G) Any association organized under this section may make contracts of reinsurance for the kinds of insurance authorized by sections 3939.01 to 3939.11 of the Revised Code or accept reinsurance on any portion of that insurance.