



Ohio Revised Code Section 1761.05 Required license.

Effective: March 23, 2015

Legislation: House Bill 652 - 130th General Assembly

(A) No person shall guarantee to a credit union payment of a credit union share account of an individual member or, as described in division (B)(2) of section 1761.02 of the Revised Code, a nonmember of a credit union or otherwise issue or effect credit union share guaranty insurance until the superintendent of insurance has licensed it to do so as a credit union share guaranty corporation under this chapter. Such license shall not be issued or renewed unless an applicant for a license or a credit union share guaranty corporation satisfies the following conditions:

- (1) The articles of incorporation of the applicant or corporation, and any amendments thereto, are filed with and approved by the secretary of state and the attorney general;
- (2) The articles of incorporation and the bylaws of the applicant or corporation, and any amendments thereto, are consistent with the provisions of this chapter and those chapters of Title XXXIX of the Revised Code specified in division (A) of section 1761.04 of the Revised Code, and are approved by the superintendent of insurance;
- (3) The applicant holds bona fide applications for participation in the corporation from at least thirty credit unions which shall become effective immediately upon issuance of the license, or, in the case of a renewal of such license, the corporation has at least thirty participating credit unions;
- (4) The applicant or corporation maintains a reserve for guarantee losses in compliance with section 1761.15 of the Revised Code;
- (5) The applicant or corporation has capital deposits in a principal sum no less than five million dollars and such capital deposits are invested in compliance with section 1761.13 of the Revised Code;
- (6) The applicant or corporation submits an audited financial statement verified by the oath of the president and secretary of the corporation, which demonstrates the corporation's compliance with



generally accepted accounting principles, and the applicant or corporation submits an annual statement in accordance with sections 3929.30 and 3941.29 of the Revised Code that demonstrates the applicant's or corporation's solvency according to principles of statutory accounting;

(7) The superintendent of credit unions certifies in writing to the superintendent of insurance that the applicant or corporation is in compliance with this chapter;

(8) The applicant or corporation is in compliance with those chapters of Title XXXIX of the Revised Code specified in division (A) of section 1761.04 of the Revised Code as determined by the superintendent of insurance.

(B) The superintendent shall issue, renew, refuse to renew, or deny the license required by this section by written order issued within thirty days after receipt of the application. The superintendent shall issue or renew the license if the conditions set forth in division (A) of this section are satisfied.

(C) In the event the superintendent determines to refuse to renew or deny the license, the superintendent shall specify all reasons for the refusal or denial in the superintendent's written order and shall set the matter for hearing under Chapter 119. of the Revised Code within thirty days after issuance of that written order. At such hearing, the applicant or credit union share guaranty corporation may present evidence to demonstrate its ability to satisfy the conditions required for the issuance or renewal of a license under division (A) of this section. Within twenty days after the conclusion of the hearing, the superintendent shall issue a final order either issuing, renewing, refusing to renew, or denying the license. The final order shall comply with the requirements of an adjudication order under Chapter 119. of the Revised Code. The applicant or credit union share guaranty corporation aggrieved by the final order may appeal in accordance with Chapter 119. of the Revised Code.

(D) The license required by this section shall be renewable annually on or before the thirtieth day of June.