



Ohio Revised Code

Section 3907.15 Allocating premiums.

Effective: January 1, 2021

Legislation: House Bill 339 - 133rd General Assembly

(A) A domestic life insurance company may, subject to section 3911.011 of the Revised Code, issue policies, annuities, or other contracts, whether on an individual or group basis, providing benefits or other contractual payments payable in fixed or variable dollar amounts, or both, and allocate to one or more separate accounts any amounts which are to be applied to provide such benefits and contractual payments. The income, if any, and any gains or losses, realized or unrealized, on each separate account shall be credited to or charged against the amounts allocated to the separate account without regard to other income, gains, or losses of the company. The amounts allocated to the separate accounts and the accumulations thereon remain the property of the company, but that portion of the assets of the separate accounts equal to the reserves and other contractual liabilities under all policies, annuities, and other contracts identified with the separate accounts shall not be chargeable with liabilities arising out of any other business of the company. The company shall not be, or hold itself out to be, a trustee in respect of such amounts.

(B)(1) Not more than ten per cent of the amounts allocated to any separate account and the accumulations thereon shall be invested in the stocks, notes, debentures, bonds, or other securities of any one corporation or issuer and not more than ten per cent of the issued and outstanding voting securities of any one corporation or issuer may be acquired by all separate accounts. The superintendent of insurance may waive this limitation if, in the opinion of the superintendent, the waiver will not render the operation of the separate account hazardous to the public or policyholders in this state;

(2) Division (B)(1) of this section does not apply to any of the following:

(a) Securities of investment companies registered under the "Investment Company Act of 1940," 54 Stat. 789, 15 U.S.C.A. 80a-1, as amended;

(b) Annuities or funding agreements issued by a life insurance company authorized to do business in this state from its general account;



(c) The transfer of any investment or other asset in any separate account to any other account or to the general assets of the company or any investment among the general assets of the company transferred to any separate account;

(d) Securities issued or guaranteed as to principal or interest by the United States.

(C) No security of any corporation which is a subsidiary of, or which is affiliated through stock ownership with, such insurance company shall be allocated to any separate account. No investment or other asset in any separate account shall be transferred to any other account or to the general assets of the company and no investment among the general assets of the company shall be transferred to any separate account unless such transfer is made solely:

(1) To establish a separate account or support the guarantees of the policies, annuities, or other contracts identified with such account;

(2) To withdraw amounts previously allocated to any separate account which are no longer needed to support the guarantees of the policies, annuities, or other contracts identified therewith; and such transfer is of cash or securities having a readily determinable market value or unless such transfer is approved by the superintendent. If a company withdraws all or part of its participation in a separate account, it shall be entitled to receive its proportionate share of the value of the assets of the separate account at the time of withdrawal.

(D) The assets of a separate account shall be valued at their market value on the date of valuation, or if there is no readily available market, then in accordance with the terms of the contracts or the rules or other written agreement applicable to such separate account.

(E) Notwithstanding division (D) of this section, assets supporting fund accumulation contracts, which do not participate in the underlying portfolio experience, with a fixed interest rate guarantee, purchased under a retirement plan or plan of deferred compensation, established or maintained by an employer, may be recorded as if the assets were held in the general account.

(F) The amounts allocated to any separate account under this section and the accumulations thereon



may be invested and reinvested by the company without regard to the requirements and limitations of section 3907.14 of the Revised Code.

(G) The assets of a separate account shall not be taken into account in applying the investment requirements and limitations of section 3907.14 of the Revised Code to other investments of the company.

(H) Any such domestic life insurance company may do all things necessary under any state or federal law in order that such policies, annuities, or other contracts may be lawfully offered for sale and sold, including, but not limited to, the granting of voting rights to such policyholders, annuitants, and other contract holders with respect to the management of such separate accounts and investment of the assets thereof and the establishment of committees, boards, or other similar designated bodies with respect to such separate accounts as may be required by such laws, notwithstanding Chapter 3907. or section 3913.06 of the Revised Code, or the articles of incorporation, charter, bylaws, or code of regulations of such company.