



Ohio Revised Code

Section 3917.01 Group life insurance definitions.

Effective: October 12, 2006

Legislation: House Bill 442 - 126th General Assembly

As used in sections 3917.01 to 3917.06 of the Revised Code, the following forms of life insurance are group life insurance:

(A) A life insurance policy issued to an employer, or to the trustees of a fund established by an employer, which employer or trustees shall be deemed the policyholder, to insure employees of the employer for the benefit of persons other than the employer, subject to all of the following requirements:

(1) All of the employees of the employer, or all of any class or classes of employees, are eligible for life insurance. The policy may provide that "employees" includes the employees of one or more subsidiary corporations and the employees, individual proprietors, and partners of one or more affiliated corporations, proprietorships, or partnerships if the business of the employer and the affiliated corporations, proprietorships, or partnerships is under common control. The policy may provide that "employees" includes retired employees, former employees, and directors of a corporate employer. A policy issued to insure the employees of a public body may provide that "employees" includes elected or appointed officials.

(2) The premium for the policy shall be paid either from the employer's funds or from funds contributed by the insured employees, or from both. Except as provided in division (A)(3) of this section, a policy for which no part of the premium is derived from funds contributed by the insured employees shall insure all eligible employees, except those employees who reject the coverage in writing.

(3) An insurer may exclude or limit the coverage on any employee as to whom evidence of individual insurability is not satisfactory to the insurer.

(4) A policy issued pursuant to section 3911.091 of the Revised Code is not subject to the requirements of this division.



(B) A life insurance policy issued to a creditor or its parent holding company or to a trustee or trustees or agent designated by two or more creditors, which creditor, holding company, affiliate, trustee, trustees, or agent shall be deemed the policyholder, to insure debtors of the creditor or creditors, subject to the following requirements:

(1) The debtors eligible for insurance under the policy shall be all of the debtors of the creditor or creditors, or all of any class or classes of the debtors. The policy may provide that "debtors" includes all of the following:

(a) Borrowers of money or purchasers or lessees of goods, services, or property for which payment is arranged through a credit transaction;

(b) The debtors of one or more subsidiary corporations;

(c) The debtors of one or more affiliated corporations, proprietorships, or partnerships if the business of the policyholder and of the affiliated corporations, proprietorships, or partnerships is under common control.

(2) The premium for the policy shall be paid either from the creditor's funds, or from charges collected from the insured debtors, or from both. Except as provided in division (B)(3) of this section, a policy on which no part of the premium is derived from the funds contributed by insured debtors specifically for the debtors' insurance shall insure all eligible debtors.

(3) An insurer may exclude any debtor as to whom evidence of individual insurability is not satisfactory to the insurer.

(4) The amount of insurance on the life of any debtor, at no time, shall exceed the greater of the scheduled or actual amount of unpaid indebtedness to the creditor, except that insurance written in connection with open-end credit having a credit limit exceeding ten thousand dollars may be in an amount not exceeding the credit limit.

(5) The insurance may be payable to the creditor or any successor to the right, title, and interest of



the creditor. The payment shall reduce or extinguish the unpaid indebtedness of the debtor to the extent of the payment and any excess of the insurance shall be payable to the estate of the insured.

(6) Notwithstanding divisions (B)(1) to (5) of this section, insurance on agricultural credit transaction commitments may be written up to the amount of the loan commitment on a nondecreasing or level term plan. Insurance on educational credit transaction commitments may be written up to the amount of the loan commitment less the amount of any repayments made on the loan.

(C) A life insurance policy issued to a labor union or similar employee organization, which union or organization shall be deemed the policyholder, to insure members of the union or organization for the benefit of persons other than the union or organization or any of its officials, representatives, or agents, subject to all of the following requirements:

(1) All of the members of the union or organization, or all of any class or classes of the members, are eligible for insurance under the policy.

(2) The premium for the policy is paid either from funds of the union or organization or from funds contributed by the insured members specifically for the members' insurance, or from both. Except as provided in division (C)(3) of this section, a policy on which no part of the premium is derived from funds contributed by the insured members specifically for the members' insurance shall insure all eligible members, except those members who reject the coverage in writing.

(3) An insurer may exclude or limit the coverage on any member as to whom evidence of individual insurability is not satisfactory to the insurer.

(D) A life insurance policy issued to a trust or to the trustees of a trust fund established or adopted by two or more employers, or by one or more labor unions or similar employee organizations, or by one or more employers and one or more labor unions or similar employee organizations, which trust or trustees shall be deemed the policyholder, to insure employees of the employers or members of the unions or similar employee organizations for the benefit of persons other than the employers or the unions or organizations, subject to the following requirements:



(1) The persons eligible for such insurance shall be all of the employees of the employers, or all of the members of the unions or organizations, or all of any class or classes of the employees or members. The policy may provide that "employees" includes the employees of one or more subsidiary corporations and the employees, individual proprietors, and partners of one or more affiliated corporations, proprietorships, or partnerships if the business of the employer and of the affiliated corporations, proprietorships, or partnerships is under common control. The policy may provide that "employees" includes the individual proprietor or partners if the employer is an individual proprietorship or a partnership. The policy may provide that "employees" includes retired employees, former employees, and directors of a corporate employer. The policy may provide that "employees" includes the trustees or their employees, or both, if their duties are principally connected with the trusteeship.

(2) The premium for the policy shall be paid from funds contributed by the employer or employers of the insured persons, or by the union or unions or similar employee organizations, or by both, or from funds contributed by the insured persons or from both the insured persons and the employers or unions or similar employee organizations. Except as provided in division (D)(3) of this section, a policy on which no part of the premium is derived from funds contributed by the insured persons specifically for their insurance shall insure all eligible persons, except those persons who reject the coverage in writing.

(3) An insurer may exclude or limit the coverage on any person as to whom evidence of individual insurability is not satisfactory to the insurer.

(E) A life insurance policy issued to an association or to a trust or the trustees of a fund established, created, or maintained for the benefit of members of one or more associations, which association, trust or trustee, or an agent, shall be deemed the policyholder, subject to all of the following requirements:

(1) The association or associations have at the outset a minimum of one hundred persons, have been organized and maintained in good faith for purposes other than that of obtaining insurance, have been in active existence for at least two years, and have a constitution and bylaws providing for all of the following:



(a) The association or associations shall hold regular meetings not less than annually to further purposes of the members.

(b) The association or associations, except for credit unions, shall collect dues or solicit contributions from members.

(c) The members of the association or associations shall have voting privileges and representation on the governing board and committees.

(2) The policy is subject to all of the following requirements:

(a) The policy may insure one or more of the members of the association or associations, employees of the association or associations, or employees of members, or all of any class or classes of the employees or members of the association or associations, and employees of the members of the association or associations, for the benefit of persons other than an employee's employer.

(b) The premium for the policy is paid from funds contributed by the association or associations, or by employer members, or by both, or from funds contributed by the covered members or employees or from both the covered members and employees and the association, associations, or employer members.

(c) Except as provided in division (E)(3) of this section, a policy on which no part of the premium is derived from funds contributed by the covered members and employees specifically for the covered members' and employees' insurance shall insure all eligible members and employees, except those who reject the coverage in writing.

(3) An insurer may exclude or limit the coverage on any member or employee as to whom evidence of individual insurability is not satisfactory to the insurer.

(F) A life insurance policy issued to a credit union or to a trustee or trustees or agent designated by two or more credit unions, which credit union, trustee, trustees, or agent shall be deemed the policyholder, to insure the members of the credit union or credit unions for the benefit of persons other than the credit union or credit unions, trust or trustees, or agents or officials of the credit union



or credit unions or trust, subject to all of the following requirements:

(1) All of the members of the credit union or credit unions, or all of any class or classes of the members, are eligible for insurance.

(2) The premium for the policy is paid by the policyholder from the credit union's funds and except as provided in division (F)(3) of this section shall insure all eligible members.

(3) An insurer may exclude or limit the coverage on any member as to whom evidence of individual insurability is not satisfactory to the insurer.

(G) Life insurance that is written under a policy issued to a trustee under a trust established by an insurer for the purpose of providing continued group life insurance coverage to those former employees, former members, or former members and the employees of such members, and their dependents, previously covered under policies of group life insurance issued by the insurer to employers or trustees pursuant to division (A) of this section, to associations pursuant to division (D) of this section, to trustees pursuant to division (E) of this section, or to groups pursuant to division (I) of this section, and that is evidenced by the issuance of a certificate of insurance or other evidence of insurance to such former employees or members as required by section 3917.06 of the Revised Code; provided that the amount of the continued life insurance coverage made available to a former employee or member and to the employee's or member's dependents shall not exceed the amount of the group life insurance coverage previously provided to the employee or member and the employee's or member's eligible dependents at the time of the employee's separation from employment or the member's termination of membership.

(H) Life insurance covering the members of a workforce actively engaged in an occupation for, and performing services on behalf of, a duly organized corporation, limited liability company, partnership, proprietor, or a similar organization whose members are not employees of the organization, written under a policy issued to the organization, which organization is the employer for this purpose, the premium on which is to be paid by the organization or by the organization and the members jointly, insuring members for amounts of insurance based upon some plan for the benefit of persons other than the organization; provided also that members may be required to furnish evidence of insurability satisfactory to the insurer. Life insurance meeting this definition may



also cover the organization's employees at the option of the organization.

(I)(1) A life insurance policy covering the members of a group other than one listed in divisions (A) to (H) of this section, subject to the superintendent finding all of the following:

(a) The issuance of the policy is not contrary to the best interest of the public.

(b) The issuance of the policy would result in economies of acquisition or administration.

(c) The policy provides benefits that are reasonable in relation to the premiums charged.

(2) An insurer shall not offer group life insurance in this state under a policy issued in another state unless the superintendent, or the insurance regulatory authority of another state with requirements substantially similar to the requirements set forth in division (I)(1) of this section, makes a determination that the requirements in division (I)(1) of this section have been met.

(3) The premium for a life insurance policy under this division is paid either from the policyholder's funds or from funds contributed by the insured members, or from both, and except as provided in division (I)(4) of this section, the policy shall insure all eligible members except those members who reject the coverage in writing.

(4) An insurer may exclude or limit the coverage on any member as to whom evidence of individual insurability is not satisfactory to the insurer.