



Ohio Revised Code

Section 3919.13 Amendment of articles to change plan of insurance.

Effective: October 1, 1953

Legislation: House Bill 1 - 100th General Assembly

Any company or association organized under section 3919.01 of the Revised Code for the purpose of transacting the business of life or accident or life and accident insurance on the assessment plan, may, with the consent in writing of a majority of its members, and upon the vote of the majority of its directors or trustees therefor, and with the written approval of the superintendent of insurance, amend its articles of incorporation and its constitution and bylaws in such a manner as to permit it to transact the business of life insurance on the legal reserve or level premium plan as a mutual company without capital stock. Such company or association, upon procuring from the superintendent a certificate of authority to transact business on the legal reserve or level premium plan, shall incur the obligations and enjoy the benefits thereof as provided by the laws of this state, as though it had thus been originally incorporated, and thereafter it shall cease to receive members and issue certificates on the assessment plan; such corporation, under its articles of incorporation as amended, is a continuation of the original corporation, and the officers at the time of such amendment shall serve through the terms for which they have been elected, but their successors shall be elected and serve for the terms and perform the duties provided for in the constitution and bylaws of the association after such amendment. The amendment of the articles of incorporation, as provided in this section, together with the amendment of the constitution and bylaws of such association, shall not affect existing suits, rights, or contracts.

Any such company or association may amend its articles of incorporation and its constitution and bylaws, as provided in this section, so as to enable it to transact the business of legal reserve or level premium life insurance on the mutual plan, without capital stock, and in such case the sections in Chapters 3907., 3909., 3911., and 3913. of the Revised Code relating to capital stock or legal reserve companies do not apply to such company or association, and thereupon such company or association shall deposit with the superintendent funds to the amount of one hundred thousand dollars held by it for the protection of its members and policyholders, of the character specified in sections 3907.14 and 3907.15 of the Revised Code. Said deposit shall be held by the superintendent in trust for the benefit and security of all of the members and policyholders of such company or association. All contracts and certificates issued prior to the amendment of the articles of incorporation and



constitution and bylaws, as provided in this section, shall be valued as one year term insurance at the ages attained, according to the standard of valuation specified for life insurance policies by the laws of this state. At the time of the amendment of its articles of incorporation, such company shall compute, in a manner satisfactory to the superintendent, the value of each member's interest in the funds of such company, and shall at the time of such amendment notify each member of the amount standing to his credit, and shall give to each of its members the right to exchange his certificate for a policy upon the legal reserve basis. Within six months after the receipt of said notice, each member shall declare, in writing, whether he elects to do one of the following:

- (A) To take a legal reserve policy, which shall not exceed in amount the maximum amount payable to beneficiary on such member's certificates, unless such limitation is expressly waived by such company or association, the premiums on which shall be reduced each year by the annuity purchasable by his credit in the funds of the company or association;
- (B) To retain his original certificate.

If such member elects to retain his original certificate, or if he fails to make an election within the time specified, the assessments shall be levied and collected as provided in the constitution and bylaws of such company or association in force at the time of the amendment of the articles of incorporation.