



Ohio Revised Code

Section 3953.11 Unearned premium reserve.

Effective: June 14, 1988

Legislation: House Bill 458 - 117th General Assembly

(A) The unearned premium reserve of every title company shall consist of:

(1) The amount of the unearned premium reserve held as of December 12, 1967, pursuant to or under permission granted by any prior statutes of this state or the voluntary unearned premium reserves held by any domestic title guarantee and trust company or domestic title guarantee company as of December 31, 1966;

(2) The amount of all additions required to be made to such reserve by this section, less the withdrawals therefrom as permitted by this section;

(3) The entire amount of the reserves required to be transferred pursuant to division (A) of this section, or pursuant to or under authority of any prior statutes of this state, shall be presumed to have been added to the reserve in the calendar year next preceding the effective date of this chapter, and shall be released from said reserve and restored to income in the year of release under the formula set forth in division (B) of this section.

(B) Every title insurance company shall reserve, as the unearned portion of the original premium, an amount equal to ten per cent of the title insurance premium received or receivable by such company during the preceding calendar year for the issuance of policies insuring titles to property located in this state, and shall annually, on or before the first day of February, deposit with the superintendent of insurance an amount equal to such unearned premium reserve in cash or securities as specified in sections 3925.05 to 3925.08 of the Revised Code, provided that such deposit shall not exceed an aggregate amount of two hundred fifty thousand dollars. At the end of each year, the company shall withdraw from the reserve retained by it an amount equal to one-half of one per cent of the original premium until the total amount of the reserve has been withdrawn.

The superintendent shall be furnished annually with a sworn statement showing the amount of title insurance premiums received during the preceding calendar year on title insurance policies covering



titles to property situated in this state, the amount required to be reserved as the unearned portion of the premium thereon, and the amount to be withdrawn under this section.

The difference between the amount of reserve required to be deposited and the amount of withdrawals permitted shall be deposited with or withdrawn from the superintendent. In calculating reserves, title insurance policies shall be considered as dated in the middle of the calendar year during which they were issued.

All reserve deposits required to be made by this section shall be tax free and shall be made and held in trust exclusively for the benefit and protection of holders of policies of the depositor covering titles to property situated in this state. So long as any company depositing such reserves continues solvent and complies with the laws of this state, the superintendent shall permit it to collect the interest, or dividends or distributions, on such securities, and to withdraw them, or a part thereof on depositing with him other securities of the kinds referred to by this section, and of equal value with those withdrawn.

The superintendent may require that additional eligible securities be deposited with him to make good any depreciation or reduction which may occur in the market value of any of the securities deposited.