



## Ohio Revised Code

### Section 5725.01 Financial institution - dealers in intangibles - insurance company definitions.

Effective: April 14, 2006

Legislation: House Bill 81 - 126th General Assembly

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As used in sections 5725.01 to 5725.26 of the Revised Code:

(A) "Financial institution" means:

- (1) A national bank organized and existing as a national bank association pursuant to the "National Bank Act," 12 U.S.C. 21;
- (2) A federal savings association or federal savings bank that is chartered under 12 U.S.C. 1464;
- (3) A bank, banking association, trust company, savings and loan association, savings bank, or other banking institution that is incorporated or organized under the laws of any state;
- (4) Any corporation organized under 12 U.S.C. 611 to 631;
- (5) Any agency or branch of a foreign depository as defined in 12 U.S.C. 3101;
- (6) A company licensed as a small business investment company under the "Small Business Investment Act of 1958," 72 Stat. 689, 15 U.S.C. 66l, as amended; or
- (7) A company chartered under the "Farm Credit Act of 1933," 48 Stat. 257, 12 U.S.C. 1131(d), as amended.

Corporations or institutions organized under the "Federal Farm Loan Act" and amendments thereto, insurance companies, and credit unions shall not be considered financial institutions or dealers in intangibles within the meaning of such sections.

(B)(1) "Dealer in intangibles" includes every person who keeps an office or other place of business



in this state and engages at such office or other place in a business that consists primarily of lending money, or discounting, buying, or selling bills of exchange, drafts, acceptances, notes, mortgages, or other evidences of indebtedness, or of buying or selling bonds, stocks, or other investment securities, whether on the person's own account with a view to profit, or as agent or broker for others, with a view to profit or personal earnings. Dealer in intangibles excludes institutions used exclusively for charitable purposes, insurance companies, and financial institutions. The investment of funds as personal accumulations or as business reserves or working capital does not constitute engaging in a business within the meaning of this division; but a person who, having engaged in a business that consists primarily of lending money, or discounting, buying, or selling bills of exchange, drafts, acceptances, notes, mortgages, or other evidences of indebtedness on the person's own account, remains in business primarily for the purpose of realizing upon the assets of the business is deemed a dealer in intangibles, though not presently engaged in a business that consists primarily of lending money or discounting or buying such securities.

(2) The tax commissioner shall adopt a rule defining "primarily" as that term is used in division (B)(1) of this section.

(C) "Insurance company" includes every corporation, association, and society engaged in the business of insurance of any character, or engaged in the business of entering into contracts substantially amounting to insurance of any character, or of indemnifying or guaranteeing against loss or damage, or acting as surety on bonds or undertakings. "Insurance company" also includes any health insuring corporation as defined in section 1751.01 of the Revised Code.

(D) "Domestic insurance company" includes every insurance company organized and existing under the laws of this state, and every unincorporated association and society formed under the laws of this state for the purpose of engaging in said business, except a company, association, or society that is an insurance holding company affiliate controlled by a nonresident affiliate and has risks in this state formerly written by its foreign affiliates in a total amount exceeding the risks outstanding on the taxpayer's latest annual report that arise from business initially written by it in this state; and excludes every foreign insurance company. As used in this division, terms defined in section 3901.32 of the Revised Code have the same meanings given to them in that section.

(E) "Foreign insurance company" includes every insurance company organized or existing under the



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laws of any other state, territory, country, or the United States and every insurance holding company affiliate excepted under division (D) of this section.

(F) "Credit union" means a nonprofit cooperative financial institution organized or chartered under the laws of this state, of another state, or of the United States.