



Ohio Revised Code

Section 3913.01 Conversion of domestic stock life insurance corporation into a mutual life insurance corporation.

Effective: September 4, 2014

Legislation: Senate Bill 140 - 130th General Assembly

Any domestic stock life insurance corporation, incorporated under a general law, may become a mutual life insurance corporation, and to that end may carry out a plan for the acquisition of shares of its capital stock, provided such plan:

(A) Has been adopted by a vote of a majority of the directors of such corporation;

(B) Has been approved by a vote of stockholders representing a majority of the capital stock then outstanding at a meeting of stockholders called for the purpose;

(C) Has been approved by a majority of the policyholders voting at a meeting of policyholders called for the purpose, each of whom is insured in a sum of at least one thousand dollars and whose insurance shall then be in force and shall have been in force for at least one year prior to such meeting.

As used in this section, "policyholder" means the person insured under an individual policy of life insurance, and the person to whom any annuity or pure endowment is presently or prospectively payable by the terms of an individual annuity or pure endowment contract, except where the policy or contract declares some other person to be the owner or holder thereof, in which case such owner or policyholder shall be deemed the policyholder, and except in cases of assignment. In the case of any individual policy or contract insuring two or more persons jointly or in case the policy or contract declares two or more persons to be the owner, the persons insured or declared to be the owner are considered as one policyholder for the purposes of this section. In case any such policy or contract has been assigned by an assignment absolute on its face to an assignee other than the corporation, and such assignment has been filed at the principal office of the corporation at least thirty days prior to the date of the meeting of policyholders, then such assignee shall be deemed a policyholder. Except as provided in this section, an assignee of a policy or contract shall not be deemed a policyholder. The reference in division (C) of this section to insurance in the amount of



one thousand dollars or more is deemed to include any annuity contract, the commuted value of which is one thousand dollars or more on the date of said meeting, and any pure endowment contract for the principal sum of one thousand dollars or more.

Notice of the meeting of policyholders shall be given by mailing such notice from the home office of the corporation at least thirty days prior to such meeting in a sealed envelope, postage prepaid, addressed to such policyholders at their last known post-office addresses, provided that personal delivery of such written notice to any policyholder evidenced by written receipt therefor may be substituted for mailing the same. The meeting shall be otherwise provided for and conducted in such manner as is provided in the mutualization plan, provided that policyholders may vote in person, by proxy, or by mail, and that all votes shall be cast by ballot on a uniform ballot furnished by the corporation. The superintendent of insurance shall supervise and direct the method and procedure of said meeting and shall appoint an adequate number of inspectors to conduct the voting at said meeting who may determine all questions concerning the verification of the ballots, the ascertainment of the validity of such ballots, the qualifications of the voters, and the canvass of the vote, and who shall certify to the superintendent and to the corporation the result of such proceedings, which shall be supervised by said inspectors in accordance with such rules as are prescribed by the superintendent. All necessary expenses incurred by the superintendent shall be paid by the corporation, as certified to by the superintendent.

Before such a plan can be carried out, it must be submitted to the superintendent and must be approved by the superintendent in writing; provided that every payment for the acquisition of any shares of the capital stock of such corporation, the purchase price of which is not fixed by such plan, shall be subject to the approval of the superintendent, and provided that neither such plan, nor any such payment, shall be approved by the superintendent unless at the time of such approvals, respectively, the corporation, after deducting the aggregate sum appropriated by such plan for the acquisition of any part or all of its capital stock, and, in the case of any payment not fixed by such plan and subject to separate approval by the superintendent, after deducting also the amount of such payment, shall be possessed of net assets of not less than two hundred thousand dollars from which it shall maintain its deposit made previously with the superintendent, and such assets shall be not less than the entire liabilities of the corporation, including the net values of its outstanding contracts computed according to the standard adopted by the corporation under sections 3903.72 to 3903.7211 of the Revised Code and including all funds, contingent reserves, and surplus, except for such



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surplus as has been appropriated or paid under such plan.