



Ohio Revised Code

Section 3915.05 Policy provisions to be included.

Effective: January 1, 2021

Legislation: House Bill 339 - 133rd General Assembly

No policy of life insurance shall be issued or delivered in this state or be issued by a life insurance company organized under the laws of this state unless such policy contains:

(A) A provision that all premiums shall be payable in advance, either at the home office of the company or to an agent of the company, upon delivery of a receipt signed by one or more of the officers named in the policy;

(B) A provision for a grace of one month for the payment of every premium after the first, which extension period may be subject to an interest charge and during which month the insurance shall continue in force, which provision may contain a stipulation that if the insured dies during the month of grace the overdue premium will be deducted in any settlement under the policy;

(C) A provision that the policy and the application therefor, a copy of which application must be indorsed on the policy, shall constitute the entire contract between the parties and shall be incontestable after it has been in force during the lifetime of the insured for a period of not more than two years from its date, except for nonpayment of premiums, except for violations of the conditions relating to naval or military service in time of war or to aeronautics, and except at the option of the company, with respect to provisions relative to benefits in the event of total and permanent disability and provisions which grant additional insurance specifically against death by accident or by accidental means;

(D) A provision that all statements made by the insured in the application shall, in the absence of fraud, be deemed representations and not warranties;

(E) A provision that if the age of the insured has been understated the amount payable under the policy shall be such as the premium would have purchased at the correct age;

(F) A provision that the policy shall participate in the surplus of the company and that, beginning not



later than the end of the third policy year, the company will annually determine and account for the portion of the divisible surplus accruing on the policy, and that the owner of the policy has the right each year to have the current dividend arising from such participation paid in cash or applied to the purchase of paid-up additions, and if the policy provides other dividend options, it shall further provide that if the owner of the policy does not elect any such other option the dividend shall be applied to the purchase of paid-up additions.

In lieu of such provision, the policy may contain a provision that:

- (1) The policy shall participate in the surplus of the company;
- (2) Beginning not later than the end of the fifth policy year, the company will determine and account for the portion of the divisible surplus accruing on the policy;
- (3) The owner of the policy has the right to have the current dividend arising from such participation paid in cash;
- (4) Such accounting and payment shall be had at periods of not more than five years, at the option of the policyholder.

Renewable term policies of ten years or less may provide that the surplus accruing to such policies shall be determined and apportioned each year after the second policy year and accumulated during each renewal period, and that at the end of any renewal period, on renewal of the policy by the insured, the company shall apply the accumulated surplus as an annuity for the next succeeding renewal term in the reduction of premiums.

The provisions described in this division are not required in nonparticipating policies.

(G) A provision that after three full years' premiums have been paid, the company, at any time while the policy is in force, will advance, on proper assignment of the policy and on the sole security thereof, at a rate of interest calculated pursuant to section 3915.051 of the Revised Code, a sum equal to, or at the option of the owner of the policy, less than, the amount required by section 3915.08 of the Revised Code under the conditions specified in said section, and that the company will deduct



from such loan value any indebtedness not already deducted in determining such value and any unpaid balance of the premium for the current policy year, and may collect interest in advance on the loan to the end of the current policy year. It shall be further stipulated in the policy that failure to repay any such advance or to pay interest does not void the policy unless the total indebtedness thereon to the company equals or exceeds such loan value at the time of such failure nor until one month after notice has been mailed by the company to the last known address of insured and of the assignee.

No conditions, other than as provided in this division or in section 3915.08 of the Revised Code, shall be exacted as a prerequisite to any such advance.

This provision is not required in term insurance nor does it apply to any form of insurance granted as a nonforfeiture benefit.

(H) A provision for nonforfeiture benefits and cash surrender values in accordance with the requirements of section 3915.06, 3915.07, or 3915.071 of the Revised Code;

(I) Except for policies which guarantee unscheduled changes in benefits upon the happening of specified events or upon the exercise of an option without change to a new policy, a table showing in figures the loan values and the options available under the policies each year upon default in premium payments, during at least the first twenty years of the policy;

(J) A provision that if, in the event of default in premium payments, the value of the policy is applied to the purchase of other insurance, and if such insurance is in force and the original policy has not been surrendered to the company and canceled, the policy may be reinstated within three years from such default, upon evidence of insurability satisfactory to the company and payment of arrears of premiums with interest;

(K) A provision that when a policy becomes a claim by the death of the insured, settlement shall be made upon receipt of due proof of death, or not later than two months after receipt of such proof;

(L) A table showing the amounts of installments in which the policy provides its proceeds may be payable;



(M) A title on its face and back, correctly describing such policy.

Any of the provisions described in this section or portions thereof, relating to premiums not applicable to single premium policies, shall to that extent not be incorporated in such policies.