



## Ohio Revised Code

### Section 3915.072 Cash surrender value - nonforfeiture factors.

Effective: September 4, 2014

Legislation: Senate Bill 140 - 130th General Assembly

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This section applies to all policies of life insurance, not excluded by division (N) of section 3915.071 of the Revised Code, that are delivered, or issued for delivery, in this state on or after January 1, 1989.

(A) Upon default in payment of the premium due on a policy anniversary, the cash surrender value shall not differ by more than two-tenths of one per cent of the amount of insurance from the sum of the greater of zero or the basic cash value, as defined in division (B) of this section, and the present value of any paid-up additions less any indebtedness to the company on the policy. If the amount of insurance is not uniform, the amount is the average amount of insurance in force at the beginning of each of the first ten policy years.

(B) The basic cash value is equal to the present value on the anniversary of the future guaranteed benefits which would have been provided for by the policy had default not occurred less the present value on the anniversary of the nonforfeiture factors corresponding to the premiums which would have fallen due on and after the anniversary. The basic cash value may not be less than the value obtained by substituting the adjusted premiums, as defined in division (D)(2) of section 3915.071 of the Revised Code, for the nonforfeiture factors. Paid-up additions and indebtedness to the company on the policy are not taken into consideration in determining basic cash value. Basic cash values for policies having supplemental life insurance or annuity benefits or for a family policy as described in division (B) of section 3915.071 of the Revised Code shall be determined in the manner provided in division (B) of that section for cash surrender values.

(C) The nonforfeiture factor is a percentage of the adjusted premium, as defined in division (D)(2) of section 3915.071 of the Revised Code, for each policy year. The percentage must be the same for each policy year after the second until the later of the fifth policy anniversary and the first policy anniversary after the second on which the cash surrender value, before including any paid-up additions and before deducting any indebtedness, is at least equal to two-tenths of one per cent of the amount of insurance. Any change in percentage after the fifth policy anniversary must apply to



no fewer than five consecutive policy years before a different percentage can be adopted. If the amount of insurance is not uniform, the amount is the average amount of insurance in force at the beginning of each of the first ten policy years.

(D) Adjusted premiums and present values shall be calculated using the same mortality table and interest rate used to demonstrate the policy's compliance with section 3915.071 of the Revised Code. The cash surrender values referred to in this section include any endowment benefit provided for by the policy.

(E) Any cash surrender value available upon default in a premium payment due at any time other than on a policy anniversary, and the amount of any paid-up nonforfeiture benefit available upon default in a premium at any time shall be calculated in accordance with the requirements for determining analogous minimum amounts in section 3915.071 of the Revised Code. The amounts of any cash surrender values and paid-up nonforfeiture benefits granted in connection with additional benefits such as those listed in division (M) of section 3915.071 of the Revised Code shall conform with the principles of this section.