Ohio Revised Code

Section 3919.02 Reserves for insurance contracts.

Effective: October 1, 1953
Legislation: House Bill 1 - 100th General Assembly

Every association transacting business under sections 3919.02 to 3919.10, inclusive, of the Revised Code, shall hold and maintain, upon every contract of insurance issued on and after January 1, 1926, assets in excess of other liabilities, to provide for reserves of not less than the minimum reserves prescribed in such sections.

The basis for minimum reserves under such sections is the American experience table of mortality and interest at four per cent annually. Contracts may provide for not more than one year preliminary term insurance by incorporating therein a clause plainly showing that the first year's insurance under such contracts is term insurance, purchased by the whole or by a part of contribution to be received during the first contract year. Such contracts may be valued on the basis of the mortality table and interest rate prescribed in this paragraph by the preliminary term plan as modified by the following stipulation: if the premium charged for any contract exceeds that charged for life insurance under twenty payment life preliminary term contracts of the same association, the reserve thereon at the end of any year, including the first, shall not be less than the reserve on a twenty payment life preliminary term contract issued in the same year and at the same age, together with an amount equivalent to the accumulation of a level net premium sufficient to provide for a pure endowment at the end of the premium paying period equal to the difference between the value at the end of such period of such a twenty payment life preliminary term contract and the full level net premium reserve at such time of such a contract. The premium paying period is the period during which premiums are concurrently payable under such twenty payment life preliminary term contract and such other contract.