



Ohio Revised Code

Section 3921.10 Formation of society after 1-1-97.

Effective: January 1, 2013

Legislation: House Bill 341 - 129th General Assembly

A domestic fraternal benefit society organized on or after January 1, 1997, shall be formed as follows:

(A) Seven or more citizens of the United States, a majority of whom are residents of this state, who desire to form a fraternal benefit society, may make, sign, and acknowledge before some officer competent to take acknowledgement of deeds, articles of incorporation stating all of the following:

(1) The proposed corporate name of the society, which name shall not so closely resemble the name of any society or insurance company as to be misleading or confusing;

(2) The purposes for which it is being formed and the mode in which its corporate powers are to be exercised. Such purposes shall not include more liberal powers than are granted by this chapter.

(3) The names and residences of the incorporators and the names, residences, and official titles of all the officers, trustees, directors, or other persons who are to have and exercise the general control of the management of the affairs and funds of the society for the first year or until the ensuing election at which all such officers shall be elected by the supreme governing body, which election shall be held not later than one year from the date of the issuance of the permanent certificate of authority.

(B) The articles of incorporation, duly certified copies of the society's bylaws and rules, copies of all proposed forms of certificates, applications for certificates, and circulars to be issued by the society, and a bond conditioned upon the return to applicants of the advanced payments if the organization is not completed within one year, shall be filed with the superintendent of insurance, who may require any other information the superintendent considers necessary. The bond with sureties approved by the superintendent shall be in such amount, not less than three hundred thousand dollars nor more than one million five hundred thousand dollars, as required by the superintendent. All documents filed shall be in the English language. If the purposes of the society conform to the requirements of this chapter and all provisions of the laws of this state have been complied with, the superintendent



shall so certify, retain and file the articles of incorporation, and furnish the incorporators a preliminary certificate of authority authorizing the society to solicit members as provided in this section.

(C) No preliminary certificate of authority granted under this section shall be valid after one year from its date or after such additional period, not exceeding one year, as may be authorized by the superintendent upon cause shown, unless the five hundred applicants required in division (D) of this section have been secured and the organization has been completed as provided in this section. The articles of incorporation and all other proceedings thereunder shall be void one year after the date of the preliminary certificate of authority, or at the expiration of the extended period, unless the society has completed its organization and has received a certificate of authority to do business as provided in division (E) of this section.

(D) Upon receipt of a preliminary certificate of authority from the superintendent, the society may solicit members for the purpose of completing its organization, shall collect from each applicant the amount of not less than one regular monthly premium in accordance with its table of rates, and shall issue to each applicant a receipt for the amount so collected. No society shall incur any liability other than for the return of such advance premium, nor issue any certificate, nor pay, allow, or offer, or promise to pay or allow, any benefit to any person until all of the following apply:

(1) Actual bona fide applications for benefits have been secured aggregating at least two million five hundred thousand dollars on not less than five hundred applicants, and any necessary evidence of insurability has been furnished to and approved by the society.

(2) At least ten subordinate lodges have been established into which the five hundred applicants have been admitted.

(3) There has been submitted to the superintendent, under oath of the president or secretary, or corresponding officer of the society, a list of such applicants, giving their names, addresses, date each was admitted, name and number of the subordinate lodge of which each applicant is a member, amount of benefits to be granted, and premiums for the benefits.

(4) It has been shown to the superintendent, by sworn statement of the treasurer, or corresponding



officer of the society, that at least five hundred applicants have each paid in cash at least one regular monthly premium as provided in this section, which premiums in the aggregate amount to at least one hundred fifty thousand dollars, all of which is credited to the fund or funds from which benefits are to be paid and no part of which may be used for expenses. These advance premiums shall be held in trust during the period of organization and if the society has not qualified for a certificate of authority within one year, as provided in this section, the premiums shall be returned to the applicants.

(E) The superintendent may make such examination and require such further information as the superintendent considers advisable. Upon presentation of satisfactory evidence that the society has complied with all the provisions of law including the surplus requirements of section 3921.101 of the Revised Code, the superintendent shall issue to the society a certificate of authority to that effect and that the society is authorized to transact business pursuant to the provisions of this chapter. The certificate of authority shall be prima facie evidence of the existence of the society at the date of the certificate. The superintendent shall cause a record of the certificate of authority to be made. A certified copy of the record may be given in evidence with like effect as the original certificate of authority.

(F) An incorporated society that was organized prior to January 1, 1997, and that, as of December 31, 1996, is authorized to transact business in this state shall not be required to reincorporate, and may exercise all the rights, powers, and privileges conferred in this chapter and in the society's articles of incorporation to the extent that the articles are consistent with this chapter.