



## Ohio Administrative Code Rule 3901-1-31 Group insurance regulations.

Effective: November 16, 2017

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### (A) Purpose

The purpose of this rule is to provide for the writing of policies of group insurance, on a limited basis as hereinafter outlined, by an insurance company having a certificate of authority pursuant to the second paragraph of section 3941.02 of the Revised Code and to ensure that residents of Ohio are not precluded from having group insurance where advantageous tax attributes may be applicable.

### (B) Authority

This rule is promulgated pursuant to the authority vested in the superintendent under section 3901.041 of the Revised Code.

### (C) Prohibitions

No insurance company shall issue any group policy with respect to any kind of insurance subject to either Chapter 3935. or 3937. of the Revised Code unless:

(1) It is a kind of insurance which, if issued to an employer, would permit the employer's contributions, if any, to be deductible by the employer and to be excluded from the gross income of the employees, their spouses, and dependents under the applicable provisions of the Internal Revenue Code of 1986; and

(2) It is a kind of insurance which the insurance company is authorized to transact pursuant to its certificate of authority.

### (D) Eligible groups



Any kind of insurance which meets the requirements of paragraph (C) of this rule may be written by issuing a group policy to:

- (1) Any employer; or
- (2) Any association, including a labor union, which has a constitution and by-laws and which has been organized and is maintained in good faith for purposes other than that of obtaining insurance; or
- (3) Any other substantially similar group which, in the discretion of the superintendent of insurance, may be subject to the issuance of a group policy.

Such group policy shall be for the benefit of the employees or members of the insured group, including their dependents or members of their immediate families if they are included in the coverage.

#### (E) Filings

Any filing made by an insurance company pertaining to a group policy authorized by this rule shall comply with and be subject to the provisions of either Chapter 3935. or 3937. of the Revised Code, whichever is applicable to the kind of insurance being written, and shall include an individual certificate, to be delivered to each employee or member of the insured group, setting forth in summary form a statement of the essential features of the insurance coverage of such employees or members, the insurance coverage of their dependents or members of their immediate families if they are included in the coverage, and to whom benefits thereunder are payable. Rates shall not be deemed to be unfairly discriminatory because different premiums result from differences in either or both loss exposures and expense factors, so long as the rates reflect the differences with reasonable accuracy.

#### (F) Agents

No person shall act as an insurance agent in the solicitation or issuance of a group policy authorized by this rule unless such person is duly licensed as an agent for that kind of insurance under the applicable sections of the Revised Code.



(G) Inland marine risks

This rule shall not be applicable to the writing of inland marine insurance.

(H) Severability

If any paragraph, term or provision of this rule is adjudged invalid for any reason, the judgment shall not affect, impair or invalidate any other paragraph, term or provision of this rule, but the remaining paragraphs, terms and provisions shall be and continue in full force and effect.