



Ohio Revised Code Section 1707.32 Insurance securities.

Effective: November 11, 1965

Legislation: Senate Bill 199 - 106th General Assembly

If an issuer of securities is incorporated or organized to make any insurance named in Title XXXIX of the Revised Code, the superintendent of insurance shall, for all the purposes of sections 1707.01 to 1707.45, inclusive, of the Revised Code, be substituted for the division of securities and the issuer and the beneficial owners of shares thereof shall be subject to section 3901.31 of the Revised Code. The superintendent of insurance shall have over any company disposing or attempting to dispose of any of its securities within this state the powers of regulation, supervision, and examination conferred on him by law, with reference to companies licensed to transact the business of insurance within this state.

No person shall, for the purpose of organizing or promoting any insurance company, or of assisting in the sale of the securities of any insurance company after its organization, dispose or offer to dispose, within this state, of any such securities, unless the contract of subscription or disposal is in writing and contains a provision substantially in the following language:

No sum shall be used for commission, promotion, and organization expenses on account of any share of stock in this company in excess of _____ per cent of the amount actually paid upon separate subscriptions, and the remainder of such payment shall be invested as authorized by the law governing such company and shall be held by the organizers of such company before organization, and by its directors and officers after organization, as bailees for the subscriber, to be used only in the conduct of the business of such company after the company has been licensed and authorized for such business by proper authority.

In lieu of "in excess of _____ per cent of the amount actually paid upon separate subscriptions," the language of such contract may be, " _____ dollars per share from every fully paid subscription"; and in lieu of "organizers" it may be "trustees" if such payments are to be held by trustees.

Funds and securities held by such organizers, trustees, directors, or officers, as bailees, shall be



deposited with a bank or trust company of this state, or invested as provided in sections 3925.05 and 3925.08 of the Revised Code, until such company has been licensed to transact the business of insurance in this state.

The amount of such commission, promotion, and organization expenses shall in no case exceed fifteen per cent of the amount actually received upon the subscriptions; except that in the case of joint-stock life insurance companies and joint-stock insurance companies other than life, the amount of such commission, promotion, and organization expenses shall in no case exceed ten per cent of the amount actually received upon the subscriptions.