



Ohio Revised Code

Section 3921.19 Certificate specifying amount of benefits provided under benefit contract.

Effective: January 1, 2013

Legislation: House Bill 341 - 129th General Assembly

(A) Each fraternal benefit society authorized to do business in this state shall issue to each owner of a benefit contract a certificate specifying the amount of benefits provided under the contract. The certificate, together with any riders or endorsements attached to the certificate, the laws of the society, the application for membership, the application for insurance and declaration of insurability, if any, signed by the applicant, and all amendments to each such document, constitute the benefit contract, as of the date of issuance, between the society and the owner, and the certificate shall so state. A copy of the application for insurance and declaration of insurability, if any, shall be endorsed upon or attached to the certificate.

All statements made on the application are representations and not warranties. Any waiver of this provision is void.

(B) Any changes, additions, or amendments to the laws of the society duly made or enacted subsequent to the issuance of the certificate, shall bind the owner and the beneficiaries, and shall govern and control the benefit contract in all respects the same as though such changes, additions, or amendments had been made prior to and were in force at the time of the application for insurance, except that no change, addition, or amendment shall destroy or diminish benefits that the society contracted to give the owner as of the date of issuance.

(C) Any person upon whose life a benefit contract is issued prior to attaining the age of majority shall be bound by the terms of the application and certificate and by all of the laws and rules of the society to the same extent as though the age of majority had been attained at the time of application.

(D) A society shall provide in its laws that if its reserves as to all or any class of certificates become impaired its board of directors or corresponding body may require that there shall be paid by the owner to the society the amount of the owner's equitable proportion of such deficiency as ascertained by its board, and that if the payment is not made, either of the following applies:



(1) It shall stand as an indebtedness against the certificate and draw interest not to exceed the rate specified for certificate loans under the certificates;

(2) In lieu of or in combination with division (D)(1) of this section, the owner may accept a proportionate reduction in benefits under the certificate.

The society may specify the manner of the election and which alternative is to be presumed if no election is made.

(E) At least thirty days prior to imposing any indebtedness upon any owner as provided in division (D) of this section, the board of directors or corresponding body shall notify the superintendent of insurance in writing of the board's intent to require the payment and a statement of the reason that request is necessary. The notice shall be confidential and not a public record under section 149.43 of the Revised Code.

(F)(1) Certificates that are delivered or issued for delivery in this state on or after January 1, 1997, but prior to January 1, 1998, shall comply with the requirements that would have applied under the laws in effect on December 31, 1996.

(2) No certificate shall be delivered or issued for delivery in this state on or after January 1, 1998, unless a copy of the form is filed with and approved by the superintendent of insurance in accordance with the provisions of law applicable to like policies issued by life or sickness and accident insurers in this state.

(3) Each life, sickness and accident, or disability insurance certificate, and each annuity certificate, that is delivered or issued for delivery in this state on or after January 1, 1998, shall comply with the standard contract provision requirements applicable to like policies issued by life or sickness and accident insurers in this state, if those requirements are not inconsistent with this chapter. However, a society may provide in its certificates for a grace period of one full month for payment of premiums. A certificate shall also contain a provision that states the amount of premiums that is payable under the certificate and that sets forth the substance of any sections of the society's laws or rules in force at the time of issuance of the certificate which, if violated, will result in the



termination or reduction of benefits payable under the certificate. If the laws of the society provide for the expulsion or suspension of a member, the certificate shall also contain a provision stating that any member expelled or suspended, except a member expelled or suspended because of nonpayment of a premium, may maintain, other than during the contestable period for material misrepresentation in the application for membership or insurance, the certificate in force by continuing payment of the required premium.

(G) Benefit contracts issued on the lives of persons under the society's minimum age for adult membership may provide for transfer of control of ownership to the insured at an age specified in the certificate. A society may require approval of an application for membership in order to effect this transfer, and may provide in all other respects for the regulation, government, and control of such certificates and all rights, obligations, and liabilities incident to and connected with such certificates. Ownership rights prior to such a transfer shall be specified in the certificate.

(H) A society may specify the terms and conditions on which benefit contracts may be assigned.

(I) A copy of any of the documents described in this section, if certified by the secretary or corresponding officer of the society, is prima facie evidence of the terms and conditions of the documents.