

**As Reported by the Senate Insurance, Commerce and Labor
Committee**

**125th General Assembly
Regular Session
2003-2004**

Sub. H. B. No. 139

**Representatives G. Smith, Gibbs, Barrett, Setzer, Sferra, Driehaus, Koziura,
Faber, Cates, Clancy, Daniels, D. Evans, Fessler, Flowers, Gilb, Hughes,
Martin, Niehaus, Olman, Raussen, Reidelbach, Schmidt, Schneider, Seitz,
J. Stewart, Wolpert**

A B I L L

To amend sections 4509.51 and 4509.53 of the Revised Code to specify that policies under the Financial Responsibility Law remain subject to their terms and conditions. 1
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BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:

Section 1. That sections 4509.51 and 4509.53 of the Revised Code be amended to read as follows: 5
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Sec. 4509.51. ~~Every~~ Subject to the terms and conditions of an owner's policy, every owner's policy of liability insurance: 7
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(A) Shall designate by explicit description or by appropriate reference all motor vehicles with respect to which coverage is thereby granted; 9
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(B) Shall insure the person named therein and any other person, as insured, using any such motor vehicles with the express or implied permission of the insured, against loss from the liability imposed by law for damages arising out of the ownership, 12
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maintenance, or use of such vehicles within the United States or 16
~~the Dominion of~~ Canada, subject to monetary limits exclusive of 17
interest and costs, with respect to each such motor vehicle, as 18
follows: 19

(1) Twelve thousand five hundred dollars because of bodily 20
injury to or death of one person in any one accident; 21

(2) Twenty-five thousand dollars because of bodily injury to 22
or death of two or more persons in any one accident; 23

(3) Seven thousand five hundred dollars because of injury to 24
property of others in any one accident. 25

Sec. 4509.53. Every motor-vehicle liability policy is subject 26
to the following provisions which need not be contained therein: 27
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(A) ~~The~~ Subject to the terms and conditions of the policy, 29
the liability of the insurance carrier with respect to the 30
insurance required by sections 4509.01 to 4509.78, ~~inclusive,~~ of 31
the Revised Code, shall become ~~absolute~~ conclusive whenever injury 32
or damage covered by the policy occurs; the policy shall not be 33
canceled or annulled as to such liability by any agreement between 34
the insurance carrier and the insured after the occurrence of the 35
injury; no statement made by the insured or on ~~his~~ the insured's 36
behalf ~~and no violation of the policy~~ shall defeat or void the 37
policy. 38

(B) The satisfaction by the insured of a judgment for such 39
injury or damage shall not be a condition precedent to the right 40
or duty of the insurance carrier to make payment on account of 41
such injury or damage. 42

(C) The insurance carrier may settle any claim covered by the 43
policy, and if such settlement is made in good faith, the amount 44
thereof shall be deductible from the limits of liability specified 45

in division (B) of section 4509.51 of the Revised Code. 46

(D) The policy, the written application therefor, and any 47
rider or indorsement which does not conflict with sections 4509.01 48
to 4509.78, ~~inclusive~~, of the Revised Code, shall constitute the 49
entire contract between the parties. 50

Section 2. That existing sections 4509.51 and 4509.53 of the 51
Revised Code are hereby repealed. 52