

**As Introduced**

**128th General Assembly  
Regular Session  
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**S. B. No. 123**

**Senator Goodman**

**Cosponsors: Senators Schuler, Seitz, Schuring**

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**A B I L L**

To amend section 3901.21 of the Revised Code to allow 1  
insurers to charge different rates for private 2  
passenger automobile insurance based upon the 3  
location of the residence of the insured within 4  
the limits of a municipal corporation. 5

**BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:**

**Section 1.** That section 3901.21 of the Revised Code be 6  
amended to read as follows: 7

**Sec. 3901.21.** The following are hereby defined as unfair and 8  
deceptive acts or practices in the business of insurance: 9

(A) Making, issuing, circulating, or causing or permitting to 10  
be made, issued, or circulated, or preparing with intent to so 11  
use, any estimate, illustration, circular, or statement 12  
misrepresenting the terms of any policy issued or to be issued or 13  
the benefits or advantages promised thereby or the dividends or 14  
share of the surplus to be received thereon, or making any false 15  
or misleading statements as to the dividends or share of surplus 16  
previously paid on similar policies, or making any misleading 17  
representation or any misrepresentation as to the financial 18  
condition of any insurer as shown by the last preceding verified 19

statement made by it to the insurance department of this state, or 20  
as to the legal reserve system upon which any life insurer 21  
operates, or using any name or title of any policy or class of 22  
policies misrepresenting the true nature thereof, or making any 23  
misrepresentation or incomplete comparison to any person for the 24  
purpose of inducing or tending to induce such person to purchase, 25  
amend, lapse, forfeit, change, or surrender insurance. 26

Any written statement concerning the premiums for a policy 27  
which refers to the net cost after credit for an assumed dividend, 28  
without an accurate written statement of the gross premiums, cash 29  
values, and dividends based on the insurer's current dividend 30  
scale, which are used to compute the net cost for such policy, and 31  
a prominent warning that the rate of dividend is not guaranteed, 32  
is a misrepresentation for the purposes of this division. 33

(B) Making, publishing, disseminating, circulating, or 34  
placing before the public or causing, directly or indirectly, to 35  
be made, published, disseminated, circulated, or placed before the 36  
public, in a newspaper, magazine, or other publication, or in the 37  
form of a notice, circular, pamphlet, letter, or poster, or over 38  
any radio station, or in any other way, or preparing with intent 39  
to so use, an advertisement, announcement, or statement containing 40  
any assertion, representation, or statement, with respect to the 41  
business of insurance or with respect to any person in the conduct 42  
of the person's insurance business, which is untrue, deceptive, or 43  
misleading. 44

(C) Making, publishing, disseminating, or circulating, 45  
directly or indirectly, or aiding, abetting, or encouraging the 46  
making, publishing, disseminating, or circulating, or preparing 47  
with intent to so use, any statement, pamphlet, circular, article, 48  
or literature, which is false as to the financial condition of an 49  
insurer and which is calculated to injure any person engaged in 50  
the business of insurance. 51

(D) Filing with any supervisory or other public official, or 52  
making, publishing, disseminating, circulating, or delivering to 53  
any person, or placing before the public, or causing directly or 54  
indirectly to be made, published, disseminated, circulated, 55  
delivered to any person, or placed before the public, any false 56  
statement of financial condition of an insurer. 57

Making any false entry in any book, report, or statement of 58  
any insurer with intent to deceive any agent or examiner lawfully 59  
appointed to examine into its condition or into any of its 60  
affairs, or any public official to whom such insurer is required 61  
by law to report, or who has authority by law to examine into its 62  
condition or into any of its affairs, or, with like intent, 63  
willfully omitting to make a true entry of any material fact 64  
pertaining to the business of such insurer in any book, report, or 65  
statement of such insurer, or mutilating, destroying, suppressing, 66  
withholding, or concealing any of its records. 67

(E) Issuing or delivering or permitting agents, officers, or 68  
employees to issue or deliver agency company stock or other 69  
capital stock or benefit certificates or shares in any common-law 70  
corporation or securities or any special or advisory board 71  
contracts or other contracts of any kind promising returns and 72  
profits as an inducement to insurance. 73

(F) Making or permitting any unfair discrimination among 74  
individuals of the same class and equal expectation of life in the 75  
rates charged for any contract of life insurance or of life 76  
annuity or in the dividends or other benefits payable thereon, or 77  
in any other of the terms and conditions of such contract. 78

(G)(1) Except as otherwise expressly provided by law, 79  
knowingly permitting or offering to make or making any contract of 80  
life insurance, life annuity or accident and health insurance, or 81  
agreement as to such contract other than as plainly expressed in 82  
the contract issued thereon, or paying or allowing, or giving or 83

offering to pay, allow, or give, directly or indirectly, as 84  
inducement to such insurance, or annuity, any rebate of premiums 85  
payable on the contract, or any special favor or advantage in the 86  
dividends or other benefits thereon, or any valuable consideration 87  
or inducement whatever not specified in the contract; or giving, 88  
or selling, or purchasing, or offering to give, sell, or purchase, 89  
as inducement to such insurance or annuity or in connection 90  
therewith, any stocks, bonds, or other securities, or other 91  
obligations of any insurance company or other corporation, 92  
association, or partnership, or any dividends or profits accrued 93  
thereon, or anything of value whatsoever not specified in the 94  
contract. 95

(2) Nothing in division (F) or division (G)(1) of this 96  
section shall be construed as prohibiting any of the following 97  
practices: (a) in the case of any contract of life insurance or 98  
life annuity, paying bonuses to policyholders or otherwise abating 99  
their premiums in whole or in part out of surplus accumulated from 100  
nonparticipating insurance, provided that any such bonuses or 101  
abatement of premiums shall be fair and equitable to policyholders 102  
and for the best interests of the company and its policyholders; 103  
(b) in the case of life insurance policies issued on the 104  
industrial debit plan, making allowance to policyholders who have 105  
continuously for a specified period made premium payments directly 106  
to an office of the insurer in an amount which fairly represents 107  
the saving in collection expenses; (c) readjustment of the rate of 108  
premium for a group insurance policy based on the loss or expense 109  
experience thereunder, at the end of the first or any subsequent 110  
policy year of insurance thereunder, which may be made retroactive 111  
only for such policy year. 112

(H) Making, issuing, circulating, or causing or permitting to 113  
be made, issued, or circulated, or preparing with intent to so 114  
use, any statement to the effect that a policy of life insurance 115

is, is the equivalent of, or represents shares of capital stock or 116  
any rights or options to subscribe for or otherwise acquire any 117  
such shares in the life insurance company issuing that policy or 118  
any other company. 119

(I) Making, issuing, circulating, or causing or permitting to 120  
be made, issued or circulated, or preparing with intent to so 121  
issue, any statement to the effect that payments to a policyholder 122  
of the principal amounts of a pure endowment are other than 123  
payments of a specific benefit for which specific premiums have 124  
been paid. 125

(J) Making, issuing, circulating, or causing or permitting to 126  
be made, issued, or circulated, or preparing with intent to so 127  
use, any statement to the effect that any insurance company was 128  
required to change a policy form or related material to comply 129  
with Title XXXIX of the Revised Code or any regulation of the 130  
superintendent of insurance, for the purpose of inducing or 131  
intending to induce any policyholder or prospective policyholder 132  
to purchase, amend, lapse, forfeit, change, or surrender 133  
insurance. 134

(K) Aiding or abetting another to violate this section. 135

(L) Refusing to issue any policy of insurance, or canceling 136  
or declining to renew such policy because of the sex or marital 137  
status of the applicant, prospective insured, insured, or 138  
policyholder. 139

(M) Making or permitting any unfair discrimination between 140  
individuals of the same class and of essentially the same hazard 141  
in the amount of premium, policy fees, or rates charged for any 142  
policy or contract of insurance, other than life insurance, or in 143  
the benefits payable thereunder, or in underwriting standards and 144  
practices or eligibility requirements, or in any of the terms or 145  
conditions of such contract, or in any other manner whatever. 146

(N) Refusing to make available disability income insurance 147  
solely because the applicant's principal occupation is that of 148  
managing a household. 149

(O) Refusing, when offering maternity benefits under any 150  
individual or group sickness and accident insurance policy, to 151  
make maternity benefits available to the policyholder for the 152  
individual or individuals to be covered under any comparable 153  
policy to be issued for delivery in this state, including family 154  
members if the policy otherwise provides coverage for family 155  
members. Nothing in this division shall be construed to prohibit 156  
an insurer from imposing a reasonable waiting period for such 157  
benefits under an individual sickness and accident insurance 158  
policy issued to an individual who is not a federally eligible 159  
individual or a nonemployer-related group sickness and accident 160  
insurance policy, but in no event shall such waiting period exceed 161  
two hundred seventy days. 162

For purposes of division (O) of this section, "federally 163  
eligible individual" means an eligible individual as defined in 45 164  
C.F.R. 148.103. 165

(P) Using, or permitting to be used, a pattern settlement as 166  
the basis of any offer of settlement. As used in this division, 167  
"pattern settlement" means a method by which liability is 168  
routinely imputed to a claimant without an investigation of the 169  
particular occurrence upon which the claim is based and by using a 170  
predetermined formula for the assignment of liability arising out 171  
of occurrences of a similar nature. Nothing in this division shall 172  
be construed to prohibit an insurer from determining a claimant's 173  
liability by applying formulas or guidelines to the facts and 174  
circumstances disclosed by the insurer's investigation of the 175  
particular occurrence upon which a claim is based. 176

(Q) Refusing to insure, or refusing to continue to insure, or 177  
limiting the amount, extent, or kind of life or sickness and 178

accident insurance or annuity coverage available to an individual, 179  
or charging an individual a different rate for the same coverage 180  
solely because of blindness or partial blindness. With respect to 181  
all other conditions, including the underlying cause of blindness 182  
or partial blindness, persons who are blind or partially blind 183  
shall be subject to the same standards of sound actuarial 184  
principles or actual or reasonably anticipated actuarial 185  
experience as are sighted persons. Refusal to insure includes, but 186  
is not limited to, denial by an insurer of disability insurance 187  
coverage on the grounds that the policy defines "disability" as 188  
being presumed in the event that the eyesight of the insured is 189  
lost. However, an insurer may exclude from coverage disabilities 190  
consisting solely of blindness or partial blindness when such 191  
conditions existed at the time the policy was issued. To the 192  
extent that the provisions of this division may appear to conflict 193  
with any provision of section 3999.16 of the Revised Code, this 194  
division applies. 195

(R)(1) Directly or indirectly offering to sell, selling, or 196  
delivering, issuing for delivery, renewing, or using or otherwise 197  
marketing any policy of insurance or insurance product in 198  
connection with or in any way related to the grant of a student 199  
loan guaranteed in whole or in part by an agency or commission of 200  
this state or the United States, except insurance that is required 201  
under federal or state law as a condition for obtaining such a 202  
loan and the premium for which is included in the fees and charges 203  
applicable to the loan; or, in the case of an insurer or insurance 204  
agent, knowingly permitting any lender making such loans to engage 205  
in such acts or practices in connection with the insurer's or 206  
agent's insurance business. 207

(2) Except in the case of a violation of division (G) of this 208  
section, division (R)(1) of this section does not apply to either 209  
of the following: 210

(a) Acts or practices of an insurer, its agents, 211  
representatives, or employees in connection with the grant of a 212  
guaranteed student loan to its insured or the insured's spouse or 213  
dependent children where such acts or practices take place more 214  
than ninety days after the effective date of the insurance; 215

(b) Acts or practices of an insurer, its agents, 216  
representatives, or employees in connection with the solicitation, 217  
processing, or issuance of an insurance policy or product covering 218  
the student loan borrower or the borrower's spouse or dependent 219  
children, where such acts or practices take place more than one 220  
hundred eighty days after the date on which the borrower is 221  
notified that the student loan was approved. 222

(S) Denying coverage, under any health insurance or health 223  
care policy, contract, or plan providing family coverage, to any 224  
natural or adopted child of the named insured or subscriber solely 225  
on the basis that the child does not reside in the household of 226  
the named insured or subscriber. 227

(T)(1) Using any underwriting standard or engaging in any 228  
other act or practice that, directly or indirectly, due solely to 229  
any health status-related factor in relation to one or more 230  
individuals, does either of the following: 231

(a) Terminates or fails to renew an existing individual 232  
policy, contract, or plan of health benefits, or a health benefit 233  
plan issued to an employer, for which an individual would 234  
otherwise be eligible; 235

(b) With respect to a health benefit plan issued to an 236  
employer, excludes or causes the exclusion of an individual from 237  
coverage under an existing employer-provided policy, contract, or 238  
plan of health benefits. 239

(2) The superintendent of insurance may adopt rules in 240  
accordance with Chapter 119. of the Revised Code for purposes of 241



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| implementing division (T)(1) of this section.   | 242 |
| (3) For purposes of division (T)(1) of this section, "health status-related factor" means any of the following:   | 243 |
| (a) Health status;  | 244 |
| (b) Medical condition, including both physical and mental illnesses;  | 245 |
| (c) Claims experience;  | 246 |
| (d) Receipt of health care;   | 247 |
| (e) Medical history;  | 248 |
| (f) Genetic information;  | 249 |
| (g) Evidence of insurability, including conditions arising out of acts of domestic violence;  | 250 |
| (h) Disability.   | 251 |
| (U) With respect to a health benefit plan issued to a small employer, as those terms are defined in section 3924.01 of the Revised Code, negligently or willfully placing coverage for adverse risks with a certain carrier, as defined in section 3924.01 of the Revised Code. | 252 |
| (V) Using any program, scheme, device, or other unfair act or practice that, directly or indirectly, causes or results in the placing of coverage for adverse risks with another carrier, as defined in section 3924.01 of the Revised Code.                                    | 253 |
| (W) Failing to comply with section 3923.23, 3923.231, 3923.232, 3923.233, or 3923.234 of the Revised Code by engaging in any unfair, discriminatory reimbursement practice.   | 254 |
| (X) Intentionally establishing an unfair premium for, or misrepresenting the cost of, any insurance policy financed under a premium finance agreement of an insurance premium finance company.  | 255 |
| (Y)(1)(a) Limiting coverage under, refusing to issue,   | 256 |
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canceling, or refusing to renew, any individual policy or contract 271  
of life insurance, or limiting coverage under or refusing to issue 272  
any individual policy or contract of health insurance, for the 273  
reason that the insured or applicant for insurance is or has been 274  
a victim of domestic violence; 275

(b) Adding a surcharge or rating factor to a premium of any 276  
individual policy or contract of life or health insurance for the 277  
reason that the insured or applicant for insurance is or has been 278  
a victim of domestic violence; 279

(c) Denying coverage under, or limiting coverage under, any 280  
policy or contract of life or health insurance, for the reason 281  
that a claim under the policy or contract arises from an incident 282  
of domestic violence; 283

(d) Inquiring, directly or indirectly, of an insured under, 284  
or of an applicant for, a policy or contract of life or health 285  
insurance, as to whether the insured or applicant is or has been a 286  
victim of domestic violence, or inquiring as to whether the 287  
insured or applicant has sought shelter or protection from 288  
domestic violence or has sought medical or psychological treatment 289  
as a victim of domestic violence. 290

(2) Nothing in division (Y)(1) of this section shall be 291  
construed to prohibit an insurer from inquiring as to, or from 292  
underwriting or rating a risk on the basis of, a person's physical 293  
or mental condition, even if the condition has been caused by 294  
domestic violence, provided that all of the following apply: 295

(a) The insurer routinely considers the condition in 296  
underwriting or in rating risks, and does so in the same manner 297  
for a victim of domestic violence as for an insured or applicant 298  
who is not a victim of domestic violence; 299

(b) The insurer does not refuse to issue any policy or 300  
contract of life or health insurance or cancel or refuse to renew 301

any policy or contract of life insurance, solely on the basis of 302  
the condition, except where such refusal to issue, cancellation, 303  
or refusal to renew is based on sound actuarial principles or is 304  
related to actual or reasonably anticipated experience; 305

(c) The insurer does not consider a person's status as being 306  
or as having been a victim of domestic violence, in itself, to be 307  
a physical or mental condition; 308

(d) The underwriting or rating of a risk on the basis of the 309  
condition is not used to evade the intent of division (Y)(1) of 310  
this section, or of any other provision of the Revised Code. 311

(3)(a) Nothing in division (Y)(1) of this section shall be 312  
construed to prohibit an insurer from refusing to issue a policy 313  
or contract of life insurance insuring the life of a person who is 314  
or has been a victim of domestic violence if the person who 315  
committed the act of domestic violence is the applicant for the 316  
insurance or would be the owner of the insurance policy or 317  
contract. 318

(b) Nothing in division (Y)(2) of this section shall be 319  
construed to permit an insurer to cancel or refuse to renew any 320  
policy or contract of health insurance in violation of the "Health 321  
Insurance Portability and Accountability Act of 1996," 110 Stat. 322  
1955, 42 U.S.C.A. 300gg-41(b), as amended, or in a manner that 323  
violates or is inconsistent with any provision of the Revised Code 324  
that implements the "Health Insurance Portability and 325  
Accountability Act of 1996." 326

(4) An insurer is immune from any civil or criminal liability 327  
that otherwise might be incurred or imposed as a result of any 328  
action taken by the insurer to comply with division (Y) of this 329  
section. 330

(5) As used in division (Y) of this section, "domestic 331  
violence" means any of the following acts: 332

(a) Knowingly causing or attempting to cause physical harm to a family or household member; 333  
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(b) Recklessly causing serious physical harm to a family or household member; 335  
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(c) Knowingly causing, by threat of force, a family or household member to believe that the person will cause imminent physical harm to the family or household member. 337  
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For the purpose of division (Y)(5) of this section, "family or household member" has the same meaning as in section 2919.25 of the Revised Code. 340  
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Nothing in division (Y)(5) of this section shall be construed to require, as a condition to the application of division (Y) of this section, that the act described in division (Y)(5) of this section be the basis of a criminal prosecution. 343  
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(Z) Disclosing a coroner's records by an insurer in violation of section 313.10 of the Revised Code. 347  
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~~With respect to private passenger automobile insurance, no insurer shall charge different premium rates to persons residing within the limits of any municipal corporation based solely on the location of the residence of the insured within those limits.~~ 349  
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The enumeration in sections 3901.19 to 3901.26 of the Revised Code of specific unfair or deceptive acts or practices in the business of insurance is not exclusive or restrictive or intended to limit the powers of the superintendent of insurance to adopt rules to implement this section, or to take action under other sections of the Revised Code. 353  
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This section does not prohibit the sale of shares of any investment company registered under the "Investment Company Act of 1940," 54 Stat. 789, 15 U.S.C.A. 80a-1, as amended, or any policies, annuities, or other contracts described in section 359  
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3907.15 of the Revised Code. 363

As used in this section, "estimate," "statement," 364  
"representation," "misrepresentation," "advertisement," or 365  
"announcement" includes oral or written occurrences. 366

**Section 2.** That existing section 3901.21 of the Revised Code 367  
is hereby repealed. 368