

# AN ACT

To amend sections 3901.21, 3937.18, 3937.30, 3937.31, 3937.32, 3937.33, 3937.34, 3937.35, 4505.11, 4509.01, 4509.20, 4509.41, and 4509.51 and to enact section 3937.46 of the Revised Code to make changes to the law governing automobile insurance policies, to increase the minimum amounts required for valid proof of financial responsibility, to make it an unfair and deceptive act or practice in the business of insurance to charge excessive, inadequate, or unfairly discriminatory premium rates in private passenger automobile insurance based solely on the insured's residence location, to reduce from two years to one year the minimum policy period for automobile insurance policies, to prohibit an automobile insurer from enforcing certain intrafamily exclusions, and to permit insurance companies to obtain a salvage certificate of title for a motor vehicle in certain circumstances when the insurance company does not have possession of the certificate of title.

*Be it enacted by the General Assembly of the State of Ohio:*

SECTION 1. That sections 3901.21, 3937.18, 3937.30, 3937.31, 3937.32, 3937.33, 3937.34, 3937.35, 4505.11, 4509.01, 4509.20, 4509.41, and 4509.51 be amended and section 3937.46 of the Revised Code be enacted to read as follows:

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

(A) Making, issuing, circulating, or causing or permitting to be made, issued, or circulated, or preparing with intent to so use, any estimate, illustration, circular, or statement misrepresenting the terms of any policy

issued or to be issued or the benefits or advantages promised thereby or the dividends or share of the surplus to be received thereon, or making any false or misleading statements as to the dividends or share of surplus previously paid on similar policies, or making any misleading representation or any misrepresentation as to the financial condition of any insurer as shown by the last preceding verified statement made by it to the insurance department of this state, or as to the legal reserve system upon which any life insurer operates, or using any name or title of any policy or class of policies misrepresenting the true nature thereof, or making any misrepresentation or incomplete comparison to any person for the purpose of inducing or tending to induce such person to purchase, amend, lapse, forfeit, change, or surrender insurance.

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

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

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

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

Making any false entry in any book, report, or statement of any insurer

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

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

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

(G)(1) Except as otherwise expressly provided by law, knowingly permitting or offering to make or making any contract of life insurance, life annuity or accident and health insurance, or agreement as to such contract other than as plainly expressed in the contract issued thereon, or paying or allowing, or giving or offering to pay, allow, or give, directly or indirectly, as inducement to such insurance, or annuity, any rebate of premiums payable on the contract, or any special favor or advantage in the dividends or other benefits thereon, or any valuable consideration or inducement whatever not specified in the contract; or giving, or selling, or purchasing, or offering to give, sell, or purchase, as inducement to such insurance or annuity or in connection therewith, any stocks, bonds, or other securities, or other obligations of any insurance company or other corporation, association, or partnership, or any dividends or profits accrued thereon, or anything of value whatsoever not specified in the contract.

(2) Nothing in division (F) or division (G)(1) of this section shall be construed as prohibiting any of the following practices: (a) in the case of any contract of life insurance or life annuity, paying bonuses to policyholders or otherwise abating their premiums in whole or in part out of surplus accumulated from nonparticipating insurance, provided that any such bonuses or abatement of premiums shall be fair and equitable to policyholders and for the best interests of the company and its policyholders; (b) in the case of life insurance policies issued on the

industrial debit plan, making allowance to policyholders who have continuously for a specified period made premium payments directly to an office of the insurer in an amount which fairly represents the saving in collection expenses; (c) readjustment of the rate of premium for a group insurance policy based on the loss or expense experience thereunder, at the end of the first or any subsequent policy year of insurance thereunder, which may be made retroactive only for such policy year.

(H) Making, issuing, circulating, or causing or permitting to be made, issued, or circulated, or preparing with intent to so use, any statement to the effect that a policy of life insurance is, is the equivalent of, or represents shares of capital stock or any rights or options to subscribe for or otherwise acquire any such shares in the life insurance company issuing that policy or any other company.

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

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

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

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

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

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

(O) Refusing, when offering maternity benefits under any individual or group sickness and accident insurance policy, to make maternity benefits

available to the policyholder for the individual or individuals to be covered under any comparable policy to be issued for delivery in this state, including family members if the policy otherwise provides coverage for family members. Nothing in this division shall be construed to prohibit an insurer from imposing a reasonable waiting period for such benefits under an individual sickness and accident insurance policy issued to an individual who is not a federally eligible individual or a nonemployer-related group sickness and accident insurance policy, but in no event shall such waiting period exceed two hundred seventy days.

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

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

(Q) Refusing to insure, or refusing to continue to insure, or limiting the amount, extent, or kind of life or sickness and accident insurance or annuity coverage available to an individual, or charging an individual a different rate for the same coverage solely because of blindness or partial blindness. With respect to all other conditions, including the underlying cause of blindness or partial blindness, persons who are blind or partially blind shall be subject to the same standards of sound actuarial principles or actual or reasonably anticipated actuarial experience as are sighted persons. Refusal to insure includes, but is not limited to, denial by an insurer of disability insurance coverage on the grounds that the policy defines "disability" as being presumed in the event that the eyesight of the insured is lost. However, an insurer may exclude from coverage disabilities consisting solely of blindness or partial blindness when such conditions existed at the time the policy was issued. To the extent that the provisions of this division may appear to conflict with any provision of section 3999.16 of the Revised Code, this division applies.

(R)(1) Directly or indirectly offering to sell, selling, or delivering, issuing for delivery, renewing, or using or otherwise marketing any policy of insurance or insurance product in connection with or in any way related

to the grant of a student loan guaranteed in whole or in part by an agency or commission of this state or the United States, except insurance that is required under federal or state law as a condition for obtaining such a loan and the premium for which is included in the fees and charges applicable to the loan; or, in the case of an insurer or insurance agent, knowingly permitting any lender making such loans to engage in such acts or practices in connection with the insurer's or agent's insurance business.

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

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

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

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

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

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

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

(2) The superintendent of insurance may adopt rules in accordance with Chapter 119. of the Revised Code for purposes of implementing division (T)(1) of this section.

(3) For purposes of division (T)(1) of this section, "health status-related factor" means any of the following:

(a) Health status;

(b) Medical condition, including both physical and mental illnesses;

- (c) Claims experience;
- (d) Receipt of health care;
- (e) Medical history;
- (f) Genetic information;
- (g) Evidence of insurability, including conditions arising out of acts of domestic violence;
- (h) Disability.

(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.

(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.

(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.

(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.

(Y)(1)(a) Limiting coverage under, refusing to issue, canceling, or refusing to renew, any individual policy or contract of life insurance, or limiting coverage under or refusing to issue any individual policy or contract of health insurance, for the reason that the insured or applicant for insurance is or has been a victim of domestic violence;

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

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

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

(2) Nothing in division (Y)(1) of this section shall be construed to prohibit an insurer from inquiring as to, or from underwriting or rating a risk

on the basis of, a person's physical or mental condition, even if the condition has been caused by domestic violence, provided that all of the following apply:

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

(b) The insurer does not refuse to issue any policy or contract of life or health insurance or cancel or refuse to renew any policy or contract of life insurance, solely on the basis of the condition, except where such refusal to issue, cancellation, or refusal to renew is based on sound actuarial principles or is related to actual or reasonably anticipated experience;

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

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

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

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

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

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

(a) Knowingly causing or attempting to cause physical harm to a family or household member;

(b) Recklessly causing serious physical harm to a family or household member;

(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.

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.

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.

(Z) Disclosing a coroner's records by an insurer in violation of section 313.10 of the Revised Code.

(AA) Making, issuing, circulating, or causing or permitting to be made, issued, or circulated any statement or representation that a life insurance policy or annuity is a contract for the purchase of funeral goods or services.

~~(BB) With respect to private passenger automobile insurance, no insurer shall charge different charging premium rates to persons residing within the limits of any municipal corporation that are excessive, inadequate, or unfairly discriminatory, pursuant to division (D) of section 3937.02 of the Revised Code, based solely on the location of the residence of the insured within those limits.~~

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.

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 3907.15 of the Revised Code.

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

Sec. 3937.18. (A) Any policy of insurance delivered or issued for delivery in this state with respect to any motor vehicle registered or principally garaged in this state that insures against loss resulting from liability imposed by law for bodily injury or death suffered by any person arising out of the ownership, maintenance, or use of a motor vehicle, may, but is not required to, include uninsured motorist coverage, underinsured motorist coverage, or both uninsured and underinsured motorist coverages.

Unless otherwise defined in the policy or any endorsement to the policy,

"motor vehicle," for purposes of the uninsured motorist coverage, underinsured motorist coverage, or both uninsured and underinsured motorist coverages, means a self-propelled vehicle designed for use and principally used on public roads, including an automobile, truck, semi-tractor, motorcycle, and bus. "Motor vehicle" also includes a motor home, provided the motor home is not stationary and is not being used as a temporary or permanent residence or office. "Motor vehicle" does not include a trolley, streetcar, trailer, railroad engine, railroad car, motorized bicycle, golf cart, off-road recreational vehicle, snowmobile, fork lift, aircraft, watercraft, construction equipment, farm tractor or other vehicle designed and principally used for agricultural purposes, mobile home, vehicle traveling on treads or rails, or any similar vehicle.

(B) For purposes of any uninsured motorist coverage included in a policy of insurance, an "uninsured motorist" is the owner or operator of a motor vehicle if any of the following conditions applies:

(1) There exists no bodily injury liability bond or insurance policy covering the owner's or operator's liability to the insured.

(2) The liability insurer denies coverage to the owner or operator, or is or becomes the subject of insolvency proceedings in any state.

(3) The identity of the owner or operator cannot be determined, but independent corroborative evidence exists to prove that the bodily injury, sickness, disease, or death of the insured was proximately caused by the negligence or intentional actions of the unidentified operator of the motor vehicle. For purposes of division (B)(3) of this section, the testimony of any insured seeking recovery from the insurer shall not constitute independent corroborative evidence, unless the testimony is supported by additional evidence.

(4) The owner or operator has diplomatic immunity.

(5) The owner or operator has immunity under Chapter 2744. of the Revised Code.

An "uninsured motorist" does not include the owner or operator of a motor vehicle that is self-insured within the meaning of the financial responsibility law of the state in which the motor vehicle is registered.

(C) If underinsured motorist coverage is included in a policy of insurance, the underinsured motorist coverage shall provide protection for insureds thereunder for bodily injury, sickness, or disease, including death, suffered by any insured under the policy, where the limits of coverage available for payment to the insured under all bodily injury liability bonds and insurance policies covering persons liable to the insured are less than the limits for the underinsured motorist coverage. Underinsured motorist

coverage in this state is not and shall not be excess coverage to other applicable liability coverages, and shall only provide the insured an amount of protection not greater than that which would be available under the insured's uninsured motorist coverage if the person or persons liable to the insured were uninsured at the time of the accident. The policy limits of the underinsured motorist coverage shall be reduced by those amounts available for payment under all applicable bodily injury liability bonds and insurance policies covering persons liable to the insured.

For purposes of underinsured motorist coverage, an "underinsured motorist" does not include the owner or operator of a motor vehicle that has applicable liability coverage in the policy under which the underinsured motorist coverage is provided.

(D) With respect to the uninsured motorist coverage, underinsured motorist coverage, or both uninsured and underinsured motorist coverages included in a policy of insurance, an insured shall be required to prove all elements of the insured's claim that are necessary to recover from the owner or operator of the uninsured or underinsured motor vehicle.

(E) The uninsured motorist coverage, underinsured motorist coverage, or both uninsured and underinsured motorist coverages included in a policy of insurance shall not be subject to an exclusion or reduction in amount because of any workers' compensation benefits payable as a result of the same injury or death.

(F) Any policy of insurance that includes uninsured motorist coverage, underinsured motorist coverage, or both uninsured and underinsured motorist coverages may, without regard to any premiums involved, include terms and conditions that preclude any and all stacking of such coverages, including but not limited to:

(1) Interfamily stacking, which is the aggregating of the limits of such coverages by the same person or two or more persons, whether family members or not, who are not members of the same household;

(2) Intrafamily stacking, which is the aggregating of the limits of such coverages purchased by the same person or two or more family members of the same household.

(G) Any policy of insurance that includes uninsured motorist coverage, underinsured motorist coverage, or both uninsured and underinsured motorist coverages and that provides a limit of coverage for payment of damages for bodily injury, including death, sustained by any one person in any one automobile accident, may, notwithstanding Chapter 2125. of the Revised Code, include terms and conditions to the effect that all claims resulting from or arising out of any one person's bodily injury, including

death, shall collectively be subject to the limit of the policy applicable to bodily injury, including death, sustained by one person, and, for the purpose of such policy limit shall constitute a single claim. Any such policy limit shall be enforceable regardless of the number of insureds, claims made, vehicles or premiums shown in the declarations or policy, or vehicles involved in the accident.

(H) Any policy of insurance that includes uninsured motorist coverage, underinsured motorist coverage, or both uninsured and underinsured motorist coverages may include terms and conditions requiring that, so long as the insured has not prejudiced the insurer's subrogation rights, each claim or suit for uninsured motorist coverage, underinsured motorist coverage, or both uninsured and underinsured motorist coverages be made or brought within three years after the date of the accident causing the bodily injury, sickness, disease, or death, or within one year after the liability insurer for the owner or operator of the motor vehicle liable to the insured has become the subject of insolvency proceedings in any state, whichever is later.

(I) Any policy of insurance that includes uninsured motorist coverage, underinsured motorist coverage, or both uninsured and underinsured motorist coverages may, subject to section 3937.46 of the Revised Code, include terms and conditions that preclude coverage for bodily injury or death suffered by an insured under specified circumstances, including but not limited to any of the following circumstances:

(1) While the insured is operating or occupying a motor vehicle owned by, furnished to, or available for the regular use of a named insured, a spouse, or a resident relative of a named insured, if the motor vehicle is not specifically identified in the policy under which a claim is made, or is not a newly acquired or replacement motor vehicle covered under the terms of the policy under which the uninsured motorist coverage, underinsured motorist coverage, or both uninsured and underinsured motorist coverages are provided;

(2) While the insured is operating or occupying a motor vehicle without a reasonable belief that the insured is entitled to do so, provided that under no circumstances will an insured whose license has been suspended, revoked, or never issued, be held to have a reasonable belief that the insured is entitled to operate a motor vehicle;

(3) When the bodily injury or death is caused by a motor vehicle operated by any person who is specifically excluded from coverage for bodily injury liability in the policy under which the uninsured motorist coverage, underinsured motorist coverage, or both uninsured and underinsured motorist coverages are provided;

(4) While any employee, officer, director, partner, trustee, member, executor, administrator, or beneficiary of the named insured, or any relative of any such person, is operating or occupying a motor vehicle, unless the employee, officer, director, partner, trustee, member, executor, administrator, beneficiary, or relative is operating or occupying a motor vehicle for which uninsured motorist coverage, underinsured motorist coverage, or both uninsured and underinsured motorist coverages are provided in the policy;

(5) When the person actually suffering the bodily injury, sickness, disease, or death is not an insured under the policy.

(J) In the event of payment to any person under the uninsured motorist coverage, underinsured motorist coverage, or both uninsured and underinsured motorist coverages, and subject to the terms and conditions of that coverage, the insurer making such payment is entitled, to the extent of the payment, to the proceeds of any settlement or judgment resulting from the exercise of any rights of recovery of that person against any person or organization legally responsible for the bodily injury or death for which the payment is made, including any amount recoverable from an insurer that is or becomes the subject of insolvency proceedings, through such proceedings or in any other lawful manner. No insurer shall attempt to recover any amount against the insured of an insurer that is or becomes the subject of insolvency proceedings, to the extent of those rights against the insurer that the insured assigns to the paying insurer.

(K) Nothing in this section shall prohibit the inclusion of underinsured motorist coverage in any uninsured motorist coverage included in a policy of insurance.

(L) The superintendent of insurance shall study the market availability of, and competition for, uninsured and underinsured motorist coverages in this state and shall, from time to time, prepare status reports containing the superintendent's findings and any recommendations. The first status report shall be prepared not later than two years after ~~the effective date of this amendment~~ October 31, 2001. To assist in preparing these status reports, the superintendent may require insurers and rating organizations operating in this state to collect pertinent data and to submit that data to the superintendent.

The superintendent shall submit a copy of each status report to the governor, the speaker of the house of representatives, the president of the senate, and the chairpersons of the committees of the general assembly having primary jurisdiction over issues relating to automobile insurance.

Sec. 3937.30. (A) As used in sections 3937.30 to 3937.39 of the Revised

Code, "automobile insurance policy" means an insurance policy delivered or issued in this state or covering a motor vehicle required to be registered in this state which:

~~(A)~~(1) Provides automobile bodily injury or property damage liability, or related coverage, or any combination thereof;

~~(B)~~(2) Insures as named insured, any of the following:

~~(1)~~(a) Any one person;

~~(2)~~(b) A husband and wife resident in the same household;

~~(3)~~(c) Either a husband or a wife who reside in the same household if an endorsement on the policy excludes the other spouse from coverage under the policy and the spouse excluded signs the endorsement. Nothing in ~~this~~ division ~~(B)~~(3)(A)(2)(c) of this section shall prevent the issuance of separate policies to each spouse or affect the compliance of the policy with Chapter 4509. of the Revised Code as to the named insured or any additional insured.

~~(C)~~ Insures only private passenger motor vehicles or other four-wheeled motor vehicles which are classified or rated as private passenger vehicles and are not used as public or private livery, or rental conveyances;

~~(D)~~ Does not insure more than four motor vehicles;

~~(E)~~(3) Does not cover garage, automobile sales agency, repair shop, service station, or public parking operation hazards;

~~(F)~~(4) Is not issued under an assigned risk plan pursuant to section 4509.70 of the Revised Code.

(B) For purposes of this section, "motor vehicle," means a self-propelled vehicle designed for and principally used on public roads, including an automobile, truck, motorcycle, and a motor home, provided the motor home is not stationary and is not being used as a temporary or permanent residence or office. "Motor vehicle" does not include a trailer, motorized bicycle, golf cart, off-road recreational vehicle, snowmobile, watercraft, construction equipment, farm tractor or other vehicle designed and principally used for agricultural purposes, mobile home, vehicle traveling on treads or rails, or any similar vehicle.

Sec. 3937.31. (A) Every automobile insurance policy shall be issued for a period of not less than ~~two years~~ one year or guaranteed renewable for successive policy periods totaling not less than ~~two years~~ one year. Where renewal is mandatory, "cancellation," as used in sections 3937.30 to 3937.39 of the Revised Code, includes refusal to renew a policy with at least the coverages, included insureds, and policy limits provided at the end of the next preceding policy period. No insurer may cancel any ~~such~~ automobile insurance policy except pursuant to the terms of the policy, and in

accordance with sections 3937.30 to 3937.39 of the Revised Code, and for one or more of the following reasons:

(1) ~~Misrepresentation~~ Fraud, concealment, or misrepresentation by the insured to the insurer of any material fact in the procurement or renewal of the insurance or in the submission of claims thereunder;

(2) Loss of driving privileges through suspension, revocation, or expiration of the driver's or commercial driver's license of the named insured or any member of the named insured's family covered as a driver; provided that the insurer shall continue the policy in effect but exclude by endorsement all coverage as to the person whose driver's license has been suspended, revoked, or has expired, if the person is other than the named insured or the principal operator;

(3) Nonpayment of premium, which means failure of the named insured to discharge when due any of the named insured's obligations in connection with the payment of premiums on a policy, or any installment of such premiums, whether the premium is payable directly to the insurer or its agent or indirectly under any premium finance plan or extension of credit;

(4) The place of residence of the insured or the state of registration or license of the insured automobile is changed to a state or country in which the insurer is not authorized to write automobile coverage.

This section does not apply in the case of a cancellation if the insurer has indicated its willingness to issue a new policy within the same insurer or within another insurer under the same ownership or management as that of the insurer that has issued the cancellation.

(B) Sections 3937.30 to 3937.39 of the Revised Code do not prohibit:

(1) Changes in coverage or policy limits, cancellation, or nonrenewal for any reason at the request or with the consent of the insured;

(2) Lawful surcharges, adjustments, or other changes in premium;

(3) Policy modification to all policies issued to a classification of risk which do not effect a withdrawal or reduction in the initial coverage or policy limits;

(4) An insurer's refusing for any reason to renew a policy upon its expiration at the end of any mandatory period, provided such nonrenewal complies with the procedure set forth in section 3937.34 of the Revised Code.

(C) Sections 3937.30 to 3937.39 of the Revised Code do not apply to any policy or coverage that has been in effect less than ninety days at the time notice of cancellation is mailed by the insurer, unless it is a renewal policy.

(D) Renewal of a policy does not constitute a waiver or estoppel with

respect to grounds for cancellation that existed before the effective date of such renewal.

(E) Nothing in this section prohibits an insurer from incorporating into a policy any changes that are permitted or required by this section or other sections of the Revised Code at the beginning of any policy period within the ~~two-year~~ one-year period set forth in division (A) of this section.

Sec. 3937.32. No cancellation of an automobile insurance policy is effective, unless it is pursuant to written notice to the insured of cancellation. Such notice shall contain:

(A) The policy number;

(B) The date of the notice;

(C) The effective date of cancellation of the policy, which shall not be earlier than thirty days following the date of the notice;

(D) An explanation of the reason for cancellation and the information upon which it is based, or a statement that such explanation will be furnished to the insured in writing within five days after receipt of ~~his~~ the insured's written request therefor to the insurer;

(E) Where cancellation is for nonpayment of premium at least ten days notice from the date of mailing of cancellation accompanied by the reason ~~therefore~~ therefor shall be given;

(F) A statement that if there is cause to believe such cancellation is based on erroneous information, or is contrary to law or the terms of the policy, the insured is entitled to have the matter reviewed by the superintendent of insurance, upon written application to the superintendent made not later than the effective date of cancellation of the policy, ~~and that if a hearing is held by the superintendent of insurance, a deposit of five dollars shall be made, and that such deposit shall be returned to the insured if the finding is in his favor.~~

Sec. 3937.33. An insurer may cancel an automobile insurance policy at such time prior to its expiration for such reasons as may be permitted by section 3937.31 of the Revised Code, by mailing to the insured, at ~~his~~ the insured's last known address appearing on the insurer's records, ~~at least thirty days prior to the effective date of cancellation,~~ a notice of cancellation pursuant to section 3937.32 of the Revised Code. If such notice of cancellation, for a reason other than nonpayment of premium, does not contain an explanation of the reason for cancellation and the information upon which it is based, the insurer shall, within five days after receipt of the written request therefor by the insured, furnish explanation to the insured in writing. Prior to the effective date of cancellation, the insurer shall ~~tender~~ refund to the insured any ~~refund~~ premium and other sums which may be due

the insured.

Upon compliance by the insurer with all requirements of this section, such automobile insurance policy is cancelled on the effective date stated in the notice of cancellation, except as otherwise provided in section 3937.35 of the Revised Code. In the event of the insurer's failure to comply with any requirement of this section, such cancellation shall be ineffective and the policy shall continue in force until such time as it is cancelled or otherwise terminated pursuant to law and the terms of the policy.

Sec. 3937.34. An insurer may refuse to renew an automobile insurance policy by mailing to the insured, at ~~his~~ the insured's last known address appearing on the insurer's records, and at least thirty days prior to the date of expiration of the policy, a notice of the insurer's intention not to renew the policy. Such notice shall contain:

- (A) The policy number;
- (B) The date of the notice;
- (C) The effective date of expiration;

(D) An explanation of the reason for nonrenewal and the information upon which it is based, or a statement that such explanation will be furnished to the insured in writing within five days after receipt of ~~his~~ the insured's written request therefor to the insurer.

Upon compliance by the insurer with all requirements of this section, such ~~motor vehicle~~ automobile insurance policy expires on the expiration date stated in the policy and notice of intention not to renew.

Sec. 3937.35. Upon receipt of a notice of cancellation given pursuant to section 3937.33 of the Revised Code at any time prior to the effective date of cancellation of ~~a motor vehicle~~ an automobile insurance policy, the insured may apply in writing to the superintendent of insurance for review of such cancellation. ~~If the superintendent finds that grounds for hearing do not exist, he shall forthwith give written notice to the insured and insurer of such finding.~~ If the superintendent finds that there is cause to believe that such cancellation is based on erroneous information, or is contrary to law or the terms of the policy, ~~he~~ the superintendent shall, ~~not later than ten days following receipt of the application, hold a hearing to~~ determine whether such cancellation is effective and shall give written notice of such ~~hearing finding~~ finding to the insured and the insurer ~~not later than five days prior to the hearing thereof, provided that the insured make a deposit of five dollars by the hearing date. Such deposit shall be returned if the finding is in the insured's favor but otherwise shall be paid into the general revenue fund by the department of insurance.~~

If, ~~upon hearing,~~ the superintendent finds that such cancellation is in

accordance with law and the terms of the policy, ~~he~~ the superintendent shall, ~~within five days following hearing,~~ issue ~~his~~ a written order finding approving such cancellation in such case. ~~If such order is issued less than ten days prior to the effective date of cancellation of the policy, the policy shall continue in force for ten days following the date of the order or until the insured secures other coverage, whichever occurs first, and the order of the superintendent shall so state.~~

If, upon ~~hearing~~ review, the superintendent finds that such cancellation is contrary to law or the terms of the policy, ~~he~~ the superintendent shall issue ~~his~~ a written order finding disapproving the cancellation and stating in what particulars the same is improper. In such case, the policy continues in force as provided in section 3937.33 of the Revised Code if the insured tenders to the insurer ~~at the time of hearing the~~ within ten days any premium refund made by the insurer.

Sec. 3937.46. (A) An intrafamily liability exclusion shall not apply or be enforced by an insurer against the owner or operator of a motor vehicle in a claim or in a suit for damages made against the owner or operator under Chapter 2125. of the Revised Code.

(B) The prohibition included in division (A) of this section does not apply if both of the following conditions are met:

(1) The policy providing the liability coverage in question includes uninsured-underinsured motorist coverage pursuant to section 3937.18 of the Revised Code;

(2) Such an intrafamily claim is not precluded by an intrafamily exclusion in the uninsured-underinsured motorist coverage in question.

(C) As used in this section:

(1) "Intrafamily liability exclusion" means any provision included in an automobile insurance policy that excludes liability insurance coverage for the owner or operator of a motor vehicle against a claim for injury or death suffered by a family member of that owner or operator.

(2) "Automobile insurance policy" has the same meaning as in section 3937.30 of the Revised Code.

Sec. 4505.11. This section shall also apply to all-purpose vehicles and off-highway motorcycles as defined in section 4519.01 of the Revised Code.

(A) Each owner of a motor vehicle and each person mentioned as owner in the last certificate of title, when the motor vehicle is dismantled, destroyed, or changed in such manner that it loses its character as a motor vehicle, or changed in such manner that it is not the motor vehicle described in the certificate of title, shall surrender the certificate of title to that motor vehicle to a clerk of a court of common pleas, and the clerk, with the

consent of any holders of any liens noted on the certificate of title, then shall enter a cancellation upon the clerk's records and shall notify the registrar of motor vehicles of the cancellation.

Upon the cancellation of a certificate of title in the manner prescribed by this section, any clerk and the registrar of motor vehicles may cancel and destroy all certificates and all memorandum certificates in that chain of title.

(B)(1) If an Ohio certificate of title or salvage certificate of title to a motor vehicle is assigned to a salvage dealer, the dealer is not required to obtain an Ohio certificate of title or a salvage certificate of title to the motor vehicle in the dealer's own name if the dealer dismantles or destroys the motor vehicle, indicates the number of the dealer's motor vehicle salvage dealer's license on it, marks "FOR DESTRUCTION" across the face of the certificate of title or salvage certificate of title, and surrenders the certificate of title or salvage certificate of title to a clerk of a court of common pleas as provided in division (A) of this section. If the salvage dealer retains the motor vehicle for resale, the dealer shall make application for a salvage certificate of title to the motor vehicle in the dealer's own name as provided in division (C)(1) of this section.

(2) At the time any salvage motor vehicle is sold at auction or through a pool, the salvage motor vehicle auction or salvage motor vehicle pool shall give a copy of the salvage certificate of title or a copy of the certificate of title marked "FOR DESTRUCTION" to the purchaser.

(C)(1) When an insurance company declares it economically impractical to repair such a motor vehicle and has paid an agreed price for the purchase of the motor vehicle to any insured or claimant owner, the insurance company shall ~~receive the certificate of title and the motor vehicle and~~ proceed as follows. ~~Within:~~

(a) If an insurance company receives the certificate of title and the motor vehicle, within thirty business days, the insurance company shall deliver the certificate of title to a clerk of a court of common pleas and shall make application for a salvage certificate of title. The

(b) If an insurance company obtains possession of the motor vehicle but is unable to obtain the properly endorsed certificate of title for the motor vehicle, within thirty business days following the vehicle's owner or lienholder's acceptance of the insurance company's payment for the vehicle, the insurance company may apply to the clerk of a court of common pleas for a salvage certificate of title without delivering the certificate of title for the motor vehicle. The application shall be accompanied by evidence that the insurance company has paid a total loss claim on the vehicle, a copy of the written request for the certificate of title on the insurance company's

letterhead, and the original certified mail, return receipt notice, addressed to the last known owner of the vehicle and any known lienholder, to obtain the certificate of title.

(c) Upon receipt of a properly completed application for a salvage certificate of title as described in division (C)(1)(a) or (b) or (C)(2) of this section, the clerk shall issue the salvage certificate of title on a form, prescribed by the registrar, that shall be easily distinguishable from the original certificate of title and shall bear the same information as the original certificate of title except that it may bear a different number than that of the original certificate of title. Except as provided in division (C)~~(2)~~(3) of this section, the salvage certificate of title shall be assigned by the insurance company to a salvage dealer or any other person for use as evidence of ownership upon the sale or other disposition of the motor vehicle, and the salvage certificate of title shall be transferrable to any other person. The clerk shall charge a fee of four dollars for the cost of processing each salvage certificate of title.

(2) If an insurance company requests that a salvage motor vehicle auction take possession of a motor vehicle that is the subject of an insurance claim, and subsequently the insurance company denies coverage with respect to the motor vehicle or does not otherwise take ownership of the motor vehicle, the salvage motor vehicle auction may proceed as follows. After the salvage motor vehicle auction has possession of the motor vehicle for forty-five days, it may apply to the clerk of a court of common pleas for a salvage certificate of title without delivering the certificate of title for the motor vehicle. The application shall be accompanied by a copy of the written request that the vehicle be removed from the facility on the salvage motor vehicle auction's letterhead, and the original certified mail, return receipt notice, addressed to the last known owner of the vehicle and any known lienholder, requesting that the vehicle be removed from the facility of the salvage motor vehicle auction. Upon receipt of a properly completed application, the clerk shall follow the process as described in division (C)(1)(c) of this section. The salvage certificate of title so issued shall be free and clear of all liens.

(3) If an insurance company considers a motor vehicle as described in division (C)(1)(a) or (b) of this section to be impossible to restore for highway operation, the insurance company may assign the certificate of title to the motor vehicle to a salvage dealer or scrap metal processing facility and send the assigned certificate of title to the clerk of the court of common pleas of any county. The insurance company shall mark the face of the certificate of title "FOR DESTRUCTION" and shall deliver a photocopy of

the certificate of title to the salvage dealer or scrap metal processing facility for its records.

~~(3)~~(4) If an insurance company declares it economically impractical to repair a motor vehicle, agrees to pay to the insured or claimant owner an amount in settlement of a claim against a policy of motor vehicle insurance covering the motor vehicle, and agrees to permit the insured or claimant owner to retain possession of the motor vehicle, the insurance company shall not pay the insured or claimant owner any amount in settlement of the insurance claim until the owner obtains a salvage certificate of title to the vehicle and furnishes a copy of the salvage certificate of title to the insurance company.

(D) When a self-insured organization, rental or leasing company, or secured creditor becomes the owner of a motor vehicle that is burned, damaged, or dismantled and is determined to be economically impractical to repair, the self-insured organization, rental or leasing company, or secured creditor shall do one of the following:

(1) Mark the face of the certificate of title to the motor vehicle "FOR DESTRUCTION" and surrender the certificate of title to a clerk of a court of common pleas for cancellation as described in division (A) of this section. The self-insured organization, rental or leasing company, or secured creditor then shall deliver the motor vehicle, together with a photocopy of the certificate of title, to a salvage dealer or scrap metal processing facility and shall cause the motor vehicle to be dismantled, flattened, crushed, or destroyed.

(2) Obtain a salvage certificate of title to the motor vehicle in the name of the self-insured organization, rental or leasing company, or secured creditor, as provided in division (C)(1) of this section, and then sell or otherwise dispose of the motor vehicle. If the motor vehicle is sold, the self-insured organization, rental or leasing company, or secured creditor shall obtain a salvage certificate of title to the motor vehicle in the name of the purchaser from a clerk of a court of common pleas.

(E) If a motor vehicle titled with a salvage certificate of title is restored for operation upon the highways, application shall be made to a clerk of a court of common pleas for a certificate of title. Upon inspection by the state highway patrol, which shall include establishing proof of ownership and an inspection of the motor number and vehicle identification number of the motor vehicle and of documentation or receipts for the materials used in restoration by the owner of the motor vehicle being inspected, which documentation or receipts shall be presented at the time of inspection, the clerk, upon surrender of the salvage certificate of title, shall issue a

certificate of title for a fee prescribed by the registrar. The certificate of title shall be in the same form as the original certificate of title and shall bear the words "REBUILT SALVAGE" in black boldface letters on its face. Every subsequent certificate of title, memorandum certificate of title, or duplicate certificate of title issued for the motor vehicle also shall bear the words "REBUILT SALVAGE" in black boldface letters on its face. The exact location on the face of the certificate of title of the words "REBUILT SALVAGE" shall be determined by the registrar, who shall develop an automated procedure within the automated title processing system to comply with this division. The clerk shall use reasonable care in performing the duties imposed on the clerk by this division in issuing a certificate of title pursuant to this division, but the clerk is not liable for any of the clerk's errors or omissions or those of the clerk's deputies, or the automated title processing system in the performance of those duties. A fee of fifty dollars shall be assessed by the state highway patrol for each inspection made pursuant to this division and shall be deposited into the state highway safety fund established by section 4501.06 of the Revised Code.

(F) No person shall operate upon the highways in this state a motor vehicle, title to which is evidenced by a salvage certificate of title, except to deliver the motor vehicle pursuant to an appointment for an inspection under this section.

(G) No motor vehicle the certificate of title to which has been marked "FOR DESTRUCTION" and surrendered to a clerk of a court of common pleas shall be used for anything except parts and scrap metal.

(H)(1) Except as otherwise provided in this division, an owner of a manufactured or mobile home that will be taxed as real property pursuant to division (B) of section 4503.06 of the Revised Code shall surrender the certificate of title to the auditor of the county containing the taxing district in which the home is located. An owner whose home qualifies for real property taxation under divisions (B)(1)(a) and (b) of section 4503.06 of the Revised Code shall surrender the certificate within fifteen days after the home meets the conditions specified in those divisions. The auditor shall deliver the certificate of title to the clerk of the court of common pleas who issued it.

(2) If the certificate of title for a manufactured or mobile home that is to be taxed as real property is held by a lienholder, the lienholder shall surrender the certificate of title to the auditor of the county containing the taxing district in which the home is located, and the auditor shall deliver the certificate of title to the clerk of the court of common pleas who issued it. The lienholder shall surrender the certificate within thirty days after both of the following have occurred:

(a) The homeowner has provided written notice to the lienholder requesting that the certificate of title be surrendered to the auditor of the county containing the taxing district in which the home is located.

(b) The homeowner has either paid the lienholder the remaining balance owed to the lienholder, or, with the lienholder's consent, executed and delivered to the lienholder a mortgage on the home and land on which the home is sited in the amount of the remaining balance owed to the lienholder.

(3) Upon the delivery of a certificate of title by the county auditor to the clerk, the clerk shall inactivate it and maintain it in the automated title processing system for a period of thirty years.

(4) Upon application by the owner of a manufactured or mobile home that is taxed as real property pursuant to division (B) of section 4503.06 of the Revised Code and that no longer satisfies divisions (B)(1)(a) and (b) or divisions (B)(2)(a) and (b) of that section, the clerk shall reactivate the record of the certificate of title that was inactivated under division (H)(3) of this section and shall issue a new certificate of title, but only if the application contains or has attached to it all of the following:

(a) An endorsement of the county treasurer that all real property taxes charged against the home under Title LVII of the Revised Code and division (B) of section 4503.06 of the Revised Code for all preceding tax years have been paid;

(b) An endorsement of the county auditor that the home will be removed from the real property tax list;

(c) Proof that there are no outstanding mortgages or other liens on the home or, if there are such mortgages or other liens, that the mortgagee or lienholder has consented to the reactivation of the certificate of title.

(I)(1) Whoever violates division (F) of this section shall be fined not more than two thousand dollars, imprisoned not more than one year, or both.

(2) Whoever violates division (G) of this section shall be fined not more than one thousand dollars, imprisoned not more than six months, or both.

Sec. 4509.01. As used in sections 4509.01 to 4509.78 of the Revised Code:

(A) "Person" includes every natural person, firm, partnership, association, or corporation.

(B) "Driver" means every person who drives or is in actual physical control of a motor vehicle.

(C) "License" includes any license, permit, or privilege to operate a motor vehicle issued under the laws of this state including:

(1) Any temporary instruction permit or examiner's driving permit;

(2) The privilege of any person to drive a motor vehicle whether or not

such person holds a valid license;

(3) Any nonresident's operating privilege.

(D) "Owner" means a person who holds the legal title of a motor vehicle. If a motor vehicle is the subject of a lease with an immediate right of possession vested in the lessee, the lessee is the owner. A person listed as the owner on a certificate of title on which there is a notation of a security interest is the owner. A buyer or other transferee of a motor vehicle who receives the certificate of title from the seller or transferor listing the seller or transferor thereon as the owner with an assignment of title to the buyer or transferee nonetheless is the owner even though a subsequent certificate of title has not been issued listing the buyer or transferee as the owner.

(E) "Registration" means registration certificates and registration plates issued under the laws of this state pertaining to the registration of motor vehicles.

(F) "Nonresident" means every person who is not a resident of this state.

(G) "Nonresident's operating privilege" means the privilege conferred upon a nonresident by the laws of this state pertaining to the operation by such person of a motor vehicle, or the use of a motor vehicle owned by such person, in this state.

(H) "Vehicle" means every device by which any person or property may be transported upon a highway, except electric personal assistive mobility devices, devices moved by power collected from overhead electric trolley wires, or used exclusively upon stationary rails or tracks, and except devices other than bicycles moved by human power.

(I) "Motor vehicle" means every vehicle propelled by power other than muscular power or power collected from overhead electric trolley wires, except motorized bicycles, road rollers, traction engines, power shovels, power cranes and other equipment used in construction work and not designed for or employed in general highway transportation, hole-digging machinery, well-drilling machinery, ditch-digging machinery, farm machinery, threshing machinery, hay baling machinery, and agricultural tractors and machinery used in the production of horticultural, floricultural, agricultural, and vegetable products.

(J) "Accident" or "motor vehicle accident" means any accident involving a motor vehicle which results in bodily injury to or death of any person, or damage to the property of any person in excess of four hundred dollars.

(K) "Proof of financial responsibility" means proof of ability to respond in damages for liability, on account of accidents occurring subsequent to the effective date of such proof, arising out of the ownership, maintenance, or

use of a motor vehicle in the amount of ~~twelve~~ twenty-five thousand ~~five hundred~~ dollars because of bodily injury to or death of one person in any one accident, in the amount of ~~twenty-five~~ fifty thousand dollars because of bodily injury to or death of two or more persons in any one accident, and in the amount of ~~seven~~ twenty-five thousand ~~five hundred~~ dollars because of injury to property of others in any one accident.

(L) "Motor-vehicle liability policy" means an "owner's policy" or an "operator's policy" of liability insurance, certified as provided in section 4509.46 or 4509.47 of the Revised Code as proof of financial responsibility, and issued, except as provided in section 4509.47 of the Revised Code, by an insurance carrier authorized to do business in this state, to or for the benefit of the person named therein as insured.

Sec. 4509.20. (A) A policy or bond does not comply with divisions (A)(5), (A)(6), and (A)(7) of section 4509.19 of the Revised Code unless issued by an insurance company or surety company authorized to do business in this state, except as provided in division (B) of this section, or unless such policy or bond is subject, if the accident has resulted in bodily injury or death, to a limit, exclusive of interest and costs, of not less than ~~twelve~~ twenty-five thousand ~~five hundred~~ dollars because of bodily injury to or death of one person in any one accident, and, subject to said limit for one person, to a limit of not less than ~~twenty-five~~ fifty thousand dollars because of bodily injury to or death of two or more persons in one accident, and, if the accident has resulted in injury to, or destruction of property, to a limit of not less than ~~seven~~ twenty-five thousand ~~five hundred~~ dollars because of injury to or destruction of property of others in any one accident.

(B) A policy or bond does not comply with divisions (A) (5), (A) (6), and (A) (7) of section 4509.19 of the Revised Code with respect to any motor vehicle which was not registered in this state or was a motor vehicle which was registered elsewhere than in this state at the effective date of the policy or bond or the most recent renewal thereof, unless the insurance company or surety company issuing such policy or bond is authorized to do business in this state, or if said company is not authorized to do business in this state unless it executes a power of attorney authorizing the registrar of motor vehicles to accept service on its behalf of notice or process in any action upon such policy or bond arising out of such accident.

The registrar may rely upon the accuracy of the information in the required report of a motor vehicle accident as to the existence of insurance or a bond unless the registrar has reason to believe that the information is erroneous.

Sec. 4509.41. (A) Judgments are satisfied for the purpose of sections

4509.01 to 4509.78, inclusive, of the Revised Code, in each of the following cases:

(1) When ~~twelve~~ twenty-five thousand ~~five-hundred~~ dollars has been credited upon any judgments in excess of that amount because of bodily injury to or death of one person as a result of any one accident;

(2) When the sum of ~~twenty-five~~ fifty thousand dollars has been credited upon any judgments in excess of that amount because of bodily injury to or death of two or more persons as the result of any one accident;

(3) When ~~seven~~ twenty-five thousand ~~five-hundred~~ dollars has been credited upon any judgments rendered in excess of that amount because of injury to property of others as a result of any one accident.

(B) Payments made in settlements of any claims because of bodily injury, death, or property damage arising from such accident shall be credited in reduction of the amounts provided for in this section.

Sec. 4509.51. Subject to the terms and conditions of an owner's policy, every owner's policy of liability insurance:

(A) Shall designate by explicit description or by appropriate reference all motor vehicles with respect to which coverage is thereby granted;

(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, maintenance, or use of such vehicles within the United States or Canada, subject to monetary limits exclusive of interest and costs, with respect to each such motor vehicle, as follows:

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

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

(3) ~~Seven~~ Twenty-five thousand ~~five-hundred~~ dollars because of injury to property of others in any one accident.

SECTION 2. That existing sections 3901.21, 3937.18, 3937.30, 3937.31, 3937.32, 3937.33, 3937.34, 3937.35, 4505.11, 4509.01, 4509.20, 4509.41, and 4509.51 of the Revised Code are hereby repealed.

SECTION 3. (A) The amendments to section 3937.31 of the Revised Code of Sections 1 and 2 of this act shall take effect six months after the effective date of this act.

(B) The amendments to sections 4509.01, 4509.20, 4509.41, and

4509.51 of the Revised Code by Sections 1 and 2 of this act that increase the threshold amounts required for proof of financial responsibility shall take effect nine months after the effective date of this act and shall apply to motor-vehicle liability policies, as defined in section 4509.01 of the Revised Code, that are issued or renewed in Ohio nine or more months after the effective date of this act. A policy in effect on the effective date of these amendments shall continue to constitute proof of financial responsibility for the remainder of the term of that policy.

(C) The amendments to section 3937.18 and the enactment of section 3937.46 of the Revised Code by Sections 1 and 2 of this act that restrict the implementation of intrafamily exclusions in motor-vehicle insurance policies shall apply to motor-vehicle insurance policies issued or renewed in Ohio on and after the effective date of this act. A policy in effect immediately prior to the effective date of these amendments shall remain in effect for the remainder of the term of that policy.

SECTION 4. (A) A study committee is hereby established to study the feasibility of requiring insurance companies issuing motor vehicle liability insurance policies in this state to report certain policy information to the Registrar of Motor Vehicles. The study committee shall consist of twelve members, including the Director of Public Safety or the Director's designee, the Superintendent of Insurance or the Superintendent's designee, six members appointed by the Governor, two members appointed by the Speaker of the House of Representatives, and two members appointed by the President of the Senate. Of the members appointed by the Governor, one shall represent an Ohio-based automobile insurance company or organization, one shall be an automobile insurance agent, one shall represent the Buckeye State Sheriffs' Association, one shall represent the Ohio Association of Chiefs of Police, one shall represent the Ohio Clerk of Courts Association, and one shall be a representative of Ohio's municipal judges. Of the members appointed by the Speaker of the House of Representatives, both shall be members of the House of Representatives and only one shall be of the same political party as the Speaker. Of the members appointed by the President of the Senate, both shall be members of the Senate and only one shall be of the same political party as the President. The Governor, Speaker, and President shall make their appointments within two weeks after the effective date of this section. The Director of Public Safety or the Director's designee and the Superintendent of Insurance or the Superintendent's designee shall serve as co-chairpersons of the study committee.

(B) The study committee shall begin meeting as soon as practicable after the effective date of this section and shall consider all of the following:

(1) Whether insurers should be required to report all motor vehicle liability insurance renewals, cancellations, or lapses to the Registrar and, if so, the time within which the report should be made;

(2) Whether insurers should be required to report the issuance of new motor vehicle policies to the Registrar and, if so, the time within which the report should be made;

(3) The impact of such required reporting on the costs incurred by the insurance industry and the potential for increased insurance premiums;

(4) The form and content of any recommended reports;

(5) Whether the Director of Public Safety, the Superintendent of Insurance, or the Registrar should be required or authorized to adopt rules under Chapter 111. or 119. of the Revised Code to implement any recommended reporting requirements;

(6) What sanctions should be imposed for any failure by an insurer to timely file any required report;

(7) What uses should be made of the reported information, including whether the information should be excluded from the public records provisions of section 149.43 of the Revised Code;

(8) What notice, if any, should be provided to the person whose insurance has been reported lapsed or canceled;

(9) Whether the insurer should be granted immunity from civil liability for failure to make a report;

(10) Any other related issues the Registrar or the members of the study committee consider relevant.

(C) The study committee shall consider provisions contained in the laws or regulations of other states regarding motor vehicle liability insurance verification.

(D) Not later than one year after the effective date of this section, the study committee shall prepare a comprehensive report, including findings and recommendations, and shall submit the report to the Governor, the Registrar of Motor Vehicles, the Speaker of the House of Representatives, the President of the Senate, and the Chairpersons of the Insurance and Transportation committees of the House of Representatives and the Senate. After submitting its report, the study committee shall cease to exist.

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*Speaker* \_\_\_\_\_ *of the House of Representatives.*

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*President* \_\_\_\_\_ *of the Senate.*

Passed \_\_\_\_\_, 20\_\_\_\_

Approved \_\_\_\_\_, 20\_\_\_\_

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*Governor.*

Am. Sub. H. B. No. 278

129th G.A.

The section numbering of law of a general and permanent nature is complete and in conformity with the Revised Code.

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*Director, Legislative Service Commission.*

Filed in the office of the Secretary of State at Columbus, Ohio, on the \_\_\_ day of \_\_\_\_\_, A. D. 20\_\_\_\_.

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*Secretary of State.*

File No. \_\_\_\_\_ Effective Date \_\_\_\_\_