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Representatives Stebelton, Okey

Cosponsors: Representatives Adams, R., Bubp, Combs, Foley, Grossman, Hollington, Huffman, Letson, Maag, McGregor, McKenney, Murray, Antonio, Ashford, Beck, Blessing, Carney, Celebrezze, Damschroder, Fende, Garland, Hackett, Hagan, R., Hayes, Heard, Henne, Hottinger, Lynch, Mallory, McClain, Newbold, Pillich, Sears, Sprague, Stinziano, Szollosi, Yuko

Speaker Batchelder

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A B I L L

To amend sections 3901.21, 3937.30, 3937.31, 3937.32, 1
3937.33, 3937.34, 3937.35, 4509.01, 4509.20, 2
4509.41, and 4509.51 of the Revised Code to make 3
changes to the law governing automobile insurance 4
policies, to increase the minimum amounts required 5
for valid proof of financial responsibility, to 6
make it an unfair and deceptive act or practice in 7
the business of insurance to charge excessive, 8
inadequate, or unfairly discriminatory premium 9
rates in private passenger automobile insurance 10
based solely on the insured's residence location, 11
and to reduce from two years to one year the 12
minimum policy period for automobile insurance 13
policies. 14

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

Section 1. That sections 3901.21, 3937.30, 3937.31, 3937.32, 15

3937.33, 3937.34, 3937.35, 4509.01, 4509.20, 4509.41, and 4509.51 16
of the Revised Code be amended to read as follows: 17

Sec. 3901.21. The following are hereby defined as unfair and 18
deceptive acts or practices in the business of insurance: 19

(A) Making, issuing, circulating, or causing or permitting to 20
be made, issued, or circulated, or preparing with intent to so 21
use, any estimate, illustration, circular, or statement 22
misrepresenting the terms of any policy issued or to be issued or 23
the benefits or advantages promised thereby or the dividends or 24
share of the surplus to be received thereon, or making any false 25
or misleading statements as to the dividends or share of surplus 26
previously paid on similar policies, or making any misleading 27
representation or any misrepresentation as to the financial 28
condition of any insurer as shown by the last preceding verified 29
statement made by it to the insurance department of this state, or 30
as to the legal reserve system upon which any life insurer 31
operates, or using any name or title of any policy or class of 32
policies misrepresenting the true nature thereof, or making any 33
misrepresentation or incomplete comparison to any person for the 34
purpose of inducing or tending to induce such person to purchase, 35
amend, lapse, forfeit, change, or surrender insurance. 36

Any written statement concerning the premiums for a policy 37
which refers to the net cost after credit for an assumed dividend, 38
without an accurate written statement of the gross premiums, cash 39
values, and dividends based on the insurer's current dividend 40
scale, which are used to compute the net cost for such policy, and 41
a prominent warning that the rate of dividend is not guaranteed, 42
is a misrepresentation for the purposes of this division. 43

(B) Making, publishing, disseminating, circulating, or 44
placing before the public or causing, directly or indirectly, to 45
be made, published, disseminated, circulated, or placed before the 46

public, in a newspaper, magazine, or other publication, or in the 47
form of a notice, circular, pamphlet, letter, or poster, or over 48
any radio station, or in any other way, or preparing with intent 49
to so use, an advertisement, announcement, or statement containing 50
any assertion, representation, or statement, with respect to the 51
business of insurance or with respect to any person in the conduct 52
of the person's insurance business, which is untrue, deceptive, or 53
misleading. 54

(C) Making, publishing, disseminating, or circulating, 55
directly or indirectly, or aiding, abetting, or encouraging the 56
making, publishing, disseminating, or circulating, or preparing 57
with intent to so use, any statement, pamphlet, circular, article, 58
or literature, which is false as to the financial condition of an 59
insurer and which is calculated to injure any person engaged in 60
the business of insurance. 61

(D) Filing with any supervisory or other public official, or 62
making, publishing, disseminating, circulating, or delivering to 63
any person, or placing before the public, or causing directly or 64
indirectly to be made, published, disseminated, circulated, 65
delivered to any person, or placed before the public, any false 66
statement of financial condition of an insurer. 67

Making any false entry in any book, report, or statement of 68
any insurer with intent to deceive any agent or examiner lawfully 69
appointed to examine into its condition or into any of its 70
affairs, or any public official to whom such insurer is required 71
by law to report, or who has authority by law to examine into its 72
condition or into any of its affairs, or, with like intent, 73
willfully omitting to make a true entry of any material fact 74
pertaining to the business of such insurer in any book, report, or 75
statement of such insurer, or mutilating, destroying, suppressing, 76
withholding, or concealing any of its records. 77

(E) Issuing or delivering or permitting agents, officers, or 78

employees to issue or deliver agency company stock or other 79
capital stock or benefit certificates or shares in any common-law 80
corporation or securities or any special or advisory board 81
contracts or other contracts of any kind promising returns and 82
profits as an inducement to insurance. 83

(F) Making or permitting any unfair discrimination among 84
individuals of the same class and equal expectation of life in the 85
rates charged for any contract of life insurance or of life 86
annuity or in the dividends or other benefits payable thereon, or 87
in any other of the terms and conditions of such contract. 88

(G)(1) Except as otherwise expressly provided by law, 89
knowingly permitting or offering to make or making any contract of 90
life insurance, life annuity or accident and health insurance, or 91
agreement as to such contract other than as plainly expressed in 92
the contract issued thereon, or paying or allowing, or giving or 93
offering to pay, allow, or give, directly or indirectly, as 94
inducement to such insurance, or annuity, any rebate of premiums 95
payable on the contract, or any special favor or advantage in the 96
dividends or other benefits thereon, or any valuable consideration 97
or inducement whatever not specified in the contract; or giving, 98
or selling, or purchasing, or offering to give, sell, or purchase, 99
as inducement to such insurance or annuity or in connection 100
therewith, any stocks, bonds, or other securities, or other 101
obligations of any insurance company or other corporation, 102
association, or partnership, or any dividends or profits accrued 103
thereon, or anything of value whatsoever not specified in the 104
contract. 105

(2) Nothing in division (F) or division (G)(1) of this 106
section shall be construed as prohibiting any of the following 107
practices: (a) in the case of any contract of life insurance or 108
life annuity, paying bonuses to policyholders or otherwise abating 109
their premiums in whole or in part out of surplus accumulated from 110

nonparticipating insurance, provided that any such bonuses or 111
abatment of premiums shall be fair and equitable to policyholders 112
and for the best interests of the company and its policyholders; 113
(b) in the case of life insurance policies issued on the 114
industrial debit plan, making allowance to policyholders who have 115
continuously for a specified period made premium payments directly 116
to an office of the insurer in an amount which fairly represents 117
the saving in collection expenses; (c) readjustment of the rate of 118
premium for a group insurance policy based on the loss or expense 119
experience thereunder, at the end of the first or any subsequent 120
policy year of insurance thereunder, which may be made retroactive 121
only for such policy year. 122

(H) Making, issuing, circulating, or causing or permitting to 123
be made, issued, or circulated, or preparing with intent to so 124
use, any statement to the effect that a policy of life insurance 125
is, is the equivalent of, or represents shares of capital stock or 126
any rights or options to subscribe for or otherwise acquire any 127
such shares in the life insurance company issuing that policy or 128
any other company. 129

(I) Making, issuing, circulating, or causing or permitting to 130
be made, issued or circulated, or preparing with intent to so 131
issue, any statement to the effect that payments to a policyholder 132
of the principal amounts of a pure endowment are other than 133
payments of a specific benefit for which specific premiums have 134
been paid. 135

(J) Making, issuing, circulating, or causing or permitting to 136
be made, issued, or circulated, or preparing with intent to so 137
use, any statement to the effect that any insurance company was 138
required to change a policy form or related material to comply 139
with Title XXXIX of the Revised Code or any regulation of the 140
superintendent of insurance, for the purpose of inducing or 141
intending to induce any policyholder or prospective policyholder 142

to purchase, amend, lapse, forfeit, change, or surrender 143
insurance. 144

(K) Aiding or abetting another to violate this section. 145

(L) Refusing to issue any policy of insurance, or canceling 146
or declining to renew such policy because of the sex or marital 147
status of the applicant, prospective insured, insured, or 148
policyholder. 149

(M) Making or permitting any unfair discrimination between 150
individuals of the same class and of essentially the same hazard 151
in the amount of premium, policy fees, or rates charged for any 152
policy or contract of insurance, other than life insurance, or in 153
the benefits payable thereunder, or in underwriting standards and 154
practices or eligibility requirements, or in any of the terms or 155
conditions of such contract, or in any other manner whatever. 156

(N) Refusing to make available disability income insurance 157
solely because the applicant's principal occupation is that of 158
managing a household. 159

(O) Refusing, when offering maternity benefits under any 160
individual or group sickness and accident insurance policy, to 161
make maternity benefits available to the policyholder for the 162
individual or individuals to be covered under any comparable 163
policy to be issued for delivery in this state, including family 164
members if the policy otherwise provides coverage for family 165
members. Nothing in this division shall be construed to prohibit 166
an insurer from imposing a reasonable waiting period for such 167
benefits under an individual sickness and accident insurance 168
policy issued to an individual who is not a federally eligible 169
individual or a nonemployer-related group sickness and accident 170
insurance policy, but in no event shall such waiting period exceed 171
two hundred seventy days. 172

For purposes of division (O) of this section, "federally 173

eligible individual" means an eligible individual as defined in 45 174
C.F.R. 148.103. 175

(P) Using, or permitting to be used, a pattern settlement as 176
the basis of any offer of settlement. As used in this division, 177
"pattern settlement" means a method by which liability is 178
routinely imputed to a claimant without an investigation of the 179
particular occurrence upon which the claim is based and by using a 180
predetermined formula for the assignment of liability arising out 181
of occurrences of a similar nature. Nothing in this division shall 182
be construed to prohibit an insurer from determining a claimant's 183
liability by applying formulas or guidelines to the facts and 184
circumstances disclosed by the insurer's investigation of the 185
particular occurrence upon which a claim is based. 186

(Q) Refusing to insure, or refusing to continue to insure, or 187
limiting the amount, extent, or kind of life or sickness and 188
accident insurance or annuity coverage available to an individual, 189
or charging an individual a different rate for the same coverage 190
solely because of blindness or partial blindness. With respect to 191
all other conditions, including the underlying cause of blindness 192
or partial blindness, persons who are blind or partially blind 193
shall be subject to the same standards of sound actuarial 194
principles or actual or reasonably anticipated actuarial 195
experience as are sighted persons. Refusal to insure includes, but 196
is not limited to, denial by an insurer of disability insurance 197
coverage on the grounds that the policy defines "disability" as 198
being presumed in the event that the eyesight of the insured is 199
lost. However, an insurer may exclude from coverage disabilities 200
consisting solely of blindness or partial blindness when such 201
conditions existed at the time the policy was issued. To the 202
extent that the provisions of this division may appear to conflict 203
with any provision of section 3999.16 of the Revised Code, this 204
division applies. 205

(R)(1) Directly or indirectly offering to sell, selling, or 206
delivering, issuing for delivery, renewing, or using or otherwise 207
marketing any policy of insurance or insurance product in 208
connection with or in any way related to the grant of a student 209
loan guaranteed in whole or in part by an agency or commission of 210
this state or the United States, except insurance that is required 211
under federal or state law as a condition for obtaining such a 212
loan and the premium for which is included in the fees and charges 213
applicable to the loan; or, in the case of an insurer or insurance 214
agent, knowingly permitting any lender making such loans to engage 215
in such acts or practices in connection with the insurer's or 216
agent's insurance business. 217

(2) Except in the case of a violation of division (G) of this 218
section, division (R)(1) of this section does not apply to either 219
of the following: 220

(a) Acts or practices of an insurer, its agents, 221
representatives, or employees in connection with the grant of a 222
guaranteed student loan to its insured or the insured's spouse or 223
dependent children where such acts or practices take place more 224
than ninety days after the effective date of the insurance; 225

(b) Acts or practices of an insurer, its agents, 226
representatives, or employees in connection with the solicitation, 227
processing, or issuance of an insurance policy or product covering 228
the student loan borrower or the borrower's spouse or dependent 229
children, where such acts or practices take place more than one 230
hundred eighty days after the date on which the borrower is 231
notified that the student loan was approved. 232

(S) Denying coverage, under any health insurance or health 233
care policy, contract, or plan providing family coverage, to any 234
natural or adopted child of the named insured or subscriber solely 235
on the basis that the child does not reside in the household of 236
the named insured or subscriber. 237

(T)(1) Using any underwriting standard or engaging in any	238
other act or practice that, directly or indirectly, due solely to	239
any health status-related factor in relation to one or more	240
individuals, does either of the following:	241
(a) Terminates or fails to renew an existing individual	242
policy, contract, or plan of health benefits, or a health benefit	243
plan issued to an employer, for which an individual would	244
otherwise be eligible;	245
(b) With respect to a health benefit plan issued to an	246
employer, excludes or causes the exclusion of an individual from	247
coverage under an existing employer-provided policy, contract, or	248
plan of health benefits.	249
(2) The superintendent of insurance may adopt rules in	250
accordance with Chapter 119. of the Revised Code for purposes of	251
implementing division (T)(1) of this section.	252
(3) For purposes of division (T)(1) of this section, "health	253
status-related factor" means any of the following:	254
(a) Health status;	255
(b) Medical condition, including both physical and mental	256
illnesses;	257
(c) Claims experience;	258
(d) Receipt of health care;	259
(e) Medical history;	260
(f) Genetic information;	261
(g) Evidence of insurability, including conditions arising	262
out of acts of domestic violence;	263
(h) Disability.	264
(U) With respect to a health benefit plan issued to a small	265
employer, as those terms are defined in section 3924.01 of the	266

Revised Code, negligently or willfully placing coverage for 267
adverse risks with a certain carrier, as defined in section 268
3924.01 of the Revised Code. 269

(V) Using any program, scheme, device, or other unfair act or 270
practice that, directly or indirectly, causes or results in the 271
placing of coverage for adverse risks with another carrier, as 272
defined in section 3924.01 of the Revised Code. 273

(W) Failing to comply with section 3923.23, 3923.231, 274
3923.232, 3923.233, or 3923.234 of the Revised Code by engaging in 275
any unfair, discriminatory reimbursement practice. 276

(X) Intentionally establishing an unfair premium for, or 277
misrepresenting the cost of, any insurance policy financed under a 278
premium finance agreement of an insurance premium finance company. 279

(Y)(1)(a) Limiting coverage under, refusing to issue, 280
canceling, or refusing to renew, any individual policy or contract 281
of life insurance, or limiting coverage under or refusing to issue 282
any individual policy or contract of health insurance, for the 283
reason that the insured or applicant for insurance is or has been 284
a victim of domestic violence; 285

(b) Adding a surcharge or rating factor to a premium of any 286
individual policy or contract of life or health insurance for the 287
reason that the insured or applicant for insurance is or has been 288
a victim of domestic violence; 289

(c) Denying coverage under, or limiting coverage under, any 290
policy or contract of life or health insurance, for the reason 291
that a claim under the policy or contract arises from an incident 292
of domestic violence; 293

(d) Inquiring, directly or indirectly, of an insured under, 294
or of an applicant for, a policy or contract of life or health 295
insurance, as to whether the insured or applicant is or has been a 296
victim of domestic violence, or inquiring as to whether the 297

insured or applicant has sought shelter or protection from 298
domestic violence or has sought medical or psychological treatment 299
as a victim of domestic violence. 300

(2) Nothing in division (Y)(1) of this section shall be 301
construed to prohibit an insurer from inquiring as to, or from 302
underwriting or rating a risk on the basis of, a person's physical 303
or mental condition, even if the condition has been caused by 304
domestic violence, provided that all of the following apply: 305

(a) The insurer routinely considers the condition in 306
underwriting or in rating risks, and does so in the same manner 307
for a victim of domestic violence as for an insured or applicant 308
who is not a victim of domestic violence; 309

(b) The insurer does not refuse to issue any policy or 310
contract of life or health insurance or cancel or refuse to renew 311
any policy or contract of life insurance, solely on the basis of 312
the condition, except where such refusal to issue, cancellation, 313
or refusal to renew is based on sound actuarial principles or is 314
related to actual or reasonably anticipated experience; 315

(c) The insurer does not consider a person's status as being 316
or as having been a victim of domestic violence, in itself, to be 317
a physical or mental condition; 318

(d) The underwriting or rating of a risk on the basis of the 319
condition is not used to evade the intent of division (Y)(1) of 320
this section, or of any other provision of the Revised Code. 321

(3)(a) Nothing in division (Y)(1) of this section shall be 322
construed to prohibit an insurer from refusing to issue a policy 323
or contract of life insurance insuring the life of a person who is 324
or has been a victim of domestic violence if the person who 325
committed the act of domestic violence is the applicant for the 326
insurance or would be the owner of the insurance policy or 327
contract. 328

(b) Nothing in division (Y)(2) of this section shall be 329
construed to permit an insurer to cancel or refuse to renew any 330
policy or contract of health insurance in violation of the "Health 331
Insurance Portability and Accountability Act of 1996," 110 Stat. 332
1955, 42 U.S.C.A. 300gg-41(b), as amended, or in a manner that 333
violates or is inconsistent with any provision of the Revised Code 334
that implements the "Health Insurance Portability and 335
Accountability Act of 1996." 336

(4) An insurer is immune from any civil or criminal liability 337
that otherwise might be incurred or imposed as a result of any 338
action taken by the insurer to comply with division (Y) of this 339
section. 340

(5) As used in division (Y) of this section, "domestic 341
violence" means any of the following acts: 342

(a) Knowingly causing or attempting to cause physical harm to 343
a family or household member; 344

(b) Recklessly causing serious physical harm to a family or 345
household member; 346

(c) Knowingly causing, by threat of force, a family or 347
household member to believe that the person will cause imminent 348
physical harm to the family or household member. 349

For the purpose of division (Y)(5) of this section, "family 350
or household member" has the same meaning as in section 2919.25 of 351
the Revised Code. 352

Nothing in division (Y)(5) of this section shall be construed 353
to require, as a condition to the application of division (Y) of 354
this section, that the act described in division (Y)(5) of this 355
section be the basis of a criminal prosecution. 356

(Z) Disclosing a coroner's records by an insurer in violation 357
of section 313.10 of the Revised Code. 358

(AA) Making, issuing, circulating, or causing or permitting 359
to be made, issued, or circulated any statement or representation 360
that a life insurance policy or annuity is a contract for the 361
purchase of funeral goods or services. 362

(BB) With respect to private passenger automobile insurance, 363
~~no insurer shall charge different~~ charging premium rates ~~to~~ 364
~~persons residing within the limits of any municipal corporation~~ 365
that are excessive, inadequate, or unfairly discriminatory, 366
pursuant to division (D) of section 3937.02 of the Revised Code, 367
based solely on the location of the residence of the insured 368
~~within those limits.~~ 369

The enumeration in sections 3901.19 to 3901.26 of the Revised 370
Code of specific unfair or deceptive acts or practices in the 371
business of insurance is not exclusive or restrictive or intended 372
to limit the powers of the superintendent of insurance to adopt 373
rules to implement this section, or to take action under other 374
sections of the Revised Code. 375

This section does not prohibit the sale of shares of any 376
investment company registered under the "Investment Company Act of 377
1940," 54 Stat. 789, 15 U.S.C.A. 80a-1, as amended, or any 378
policies, annuities, or other contracts described in section 379
3907.15 of the Revised Code. 380

As used in this section, "estimate," "statement," 381
"representation," "misrepresentation," "advertisement," or 382
"announcement" includes oral or written occurrences. 383

Sec. 3937.30. (A) As used in sections 3937.30 to 3937.39 of 384
the Revised Code, "automobile insurance policy" means an insurance 385
policy delivered or issued in this state or covering a motor 386
vehicle required to be registered in this state which: 387

~~(A)~~(1) Provides automobile bodily injury or property damage 388

liability, or related coverage, or any combination thereof;	389
(B) (2) Insures as named insured, any of the following:	390
(1) (a) Any one person;	391
(2) (b) A husband and wife resident in the same household;	392
(3) (c) Either a husband or a wife who reside in the same	393
household if an endorsement on the policy excludes the other	394
spouse from coverage under the policy and the spouse excluded	395
signs the endorsement. Nothing in this division (B) (3)(A)(2)(c) of	396
<u>this section</u> shall prevent the issuance of separate policies to	397
each spouse or affect the compliance of the policy with Chapter	398
4509. of the Revised Code as to the named insured or any	399
additional insured.	400
(C) Insures only private passenger motor vehicles or other	401
four-wheeled motor vehicles which are classified or rated as	402
private passenger vehicles and are not used as public or private	403
livery, or rental conveyances;	404
(D) Does not insure more than four motor vehicles;	405
(E) (3) Does not cover garage, automobile sales agency, repair	406
shop, service station, or public parking operation hazards;	407
(F) (4) Is not issued under an assigned risk plan pursuant to	408
section 4509.70 of the Revised Code.	409
<u>(B) For purposes of this section, "motor vehicle," means a</u>	410
<u>self-propelled vehicle designed for and principally used on public</u>	411
<u>roads, including an automobile, truck, motorcycle, and a motor</u>	412
<u>home, provided the motor home is not stationary and is not being</u>	413
<u>used as a temporary or permanent residence or office. "Motor</u>	414
<u>vehicle" does not include a trailer, motorized bicycle, golf cart,</u>	415
<u>off-road recreational vehicle, snowmobile, watercraft,</u>	416
<u>construction equipment, farm tractor or other vehicle designed and</u>	417
<u>principally used for agricultural purposes, mobile home, vehicle</u>	418

traveling on treads or rails, or any similar vehicle. 419

Sec. 3937.31. (A) Every automobile insurance policy shall be 420
issued for a period of not less than ~~two years~~ one year or 421
guaranteed renewable for successive policy periods totaling not 422
less than ~~two years~~ one year. Where renewal is mandatory, 423
"cancellation," as used in sections 3937.30 to 3937.39 of the 424
Revised Code, includes refusal to renew a policy with at least the 425
coverages, included insureds, and policy limits provided at the 426
end of the next preceding policy period. No insurer may cancel any 427
~~such~~ automobile insurance policy except pursuant to the terms of 428
the policy, and in accordance with sections 3937.30 to 3937.39 of 429
the Revised Code, and for one or more of the following reasons: 430

(1) ~~Misrepresentation~~ Fraud, concealment, or 431
misrepresentation by the insured to the insurer of any material 432
fact in the procurement or renewal of the insurance or in the 433
submission of claims thereunder; 434

(2) Loss of driving privileges through suspension, 435
revocation, or expiration of the driver's or commercial driver's 436
license of the named insured or any member of the named insured's 437
family covered as a driver; provided that the insurer shall 438
continue the policy in effect but exclude by endorsement all 439
coverage as to the person whose driver's license has been 440
suspended, revoked, or has expired, if the person is other than 441
the named insured or the principal operator; 442

(3) Nonpayment of premium, which means failure of the named 443
insured to discharge when due any of the named insured's 444
obligations in connection with the payment of premiums on a 445
policy, or any installment of such premiums, whether the premium 446
is payable directly to the insurer or its agent or indirectly 447
under any premium finance plan or extension of credit; 448

(4) The place of residence of the insured or the state of 449

registration or license of the insured automobile is changed to a 450
state or country in which the insurer is not authorized to write 451
automobile coverage. 452

This section does not apply in the case of a cancellation if 453
the insurer has indicated its willingness to issue a new policy 454
within the same insurer or within another insurer under the same 455
ownership or management as that of the insurer that has issued the 456
cancellation. 457

(B) Sections 3937.30 to 3937.39 of the Revised Code do not 458
prohibit: 459

(1) Changes in coverage or policy limits, cancellation, or 460
nonrenewal for any reason at the request or with the consent of 461
the insured; 462

(2) Lawful surcharges, adjustments, or other changes in 463
premium; 464

(3) Policy modification to all policies issued to a 465
classification of risk which do not effect a withdrawal or 466
reduction in the initial coverage or policy limits; 467

(4) An insurer's refusing for any reason to renew a policy 468
upon its expiration at the end of any mandatory period, provided 469
such nonrenewal complies with the procedure set forth in section 470
3937.34 of the Revised Code. 471

(C) Sections 3937.30 to 3937.39 of the Revised Code do not 472
apply to any policy or coverage that has been in effect less than 473
ninety days at the time notice of cancellation is mailed by the 474
insurer, unless it is a renewal policy. 475

(D) Renewal of a policy does not constitute a waiver or 476
estoppel with respect to grounds for cancellation that existed 477
before the effective date of such renewal. 478

(E) Nothing in this section prohibits an insurer from 479

incorporating into a policy any changes that are permitted or 480
required by this section or other sections of the Revised Code at 481
the beginning of any policy period within the ~~two-year~~ one-year 482
period set forth in division (A) of this section. 483

Sec. 3937.32. No cancellation of an automobile insurance 484
policy is effective, unless it is pursuant to written notice to 485
the insured of cancellation. Such notice shall contain: 486

(A) The policy number; 487

(B) The date of the notice; 488

(C) The effective date of cancellation of the policy, which 489
shall not be earlier than thirty days following the date of the 490
notice; 491

(D) An explanation of the reason for cancellation and the 492
information upon which it is based, or a statement that such 493
explanation will be furnished to the insured in writing within 494
five days after receipt of ~~his~~ the insured's written request 495
therefor to the insurer; 496

(E) Where cancellation is for nonpayment of premium at least 497
ten days notice from the date of mailing of cancellation 498
accompanied by the reason ~~therefore~~ therefor shall be given; 499

(F) A statement that if there is cause to believe such 500
cancellation is based on erroneous information, or is contrary to 501
law or the terms of the policy, the insured is entitled to have 502
the matter reviewed by the superintendent of insurance, upon 503
written application to the superintendent made not later than the 504
effective date of cancellation of the policy, ~~and that if a~~ 505
~~hearing is held by the superintendent of insurance, a deposit of~~ 506
~~five dollars shall be made, and that such deposit shall be~~ 507
~~returned to the insured if the finding is in his favor.~~ 508

Sec. 3937.33. An insurer may cancel an automobile insurance 509
policy at such time prior to its expiration for such reasons as 510
may be permitted by section 3937.31 of the Revised Code, by 511
mailing to the insured, at ~~his~~ the insured's last known address 512
appearing on the insurer's records, ~~at least thirty days prior to~~ 513
~~the effective date of cancellation,~~ a notice of cancellation 514
pursuant to section 3937.32 of the Revised Code. If such notice of 515
cancellation, for a reason other than nonpayment of premium, does 516
not contain an explanation of the reason for cancellation and the 517
information upon which it is based, the insurer shall, within five 518
days after receipt of the written request therefor by the insured, 519
furnish explanation to the insured in writing. Prior to the 520
effective date of cancellation, the insurer shall ~~tender~~ refund to 521
the insured any ~~refund~~ premium and other sums which may be due the 522
insured. 523

Upon compliance by the insurer with all requirements of this 524
section, such automobile insurance policy is cancelled on the 525
effective date stated in the notice of cancellation, except as 526
otherwise provided in section 3937.35 of the Revised Code. In the 527
event of the insurer's failure to comply with any requirement of 528
this section, such cancellation shall be ineffective and the 529
policy shall continue in force until such time as it is cancelled 530
or otherwise terminated pursuant to law and the terms of the 531
policy. 532

Sec. 3937.34. An insurer may refuse to renew an automobile 533
insurance policy by mailing to the insured, at ~~his~~ the insured's 534
last known address appearing on the insurer's records, and at 535
least thirty days prior to the date of expiration of the policy, a 536
notice of the insurer's intention not to renew the policy. Such 537
notice shall contain: 538

(A) The policy number; 539

(B) The date of the notice; 540

(C) The effective date of expiration; 541

(D) An explanation of the reason for nonrenewal and the 542
information upon which it is based, or a statement that such 543
explanation will be furnished to the insured in writing within 544
five days after receipt of ~~his~~ the insured's written request 545
therefor to the insurer. 546

Upon compliance by the insurer with all requirements of this 547
section, such ~~motor vehicle~~ automobile insurance policy expires on 548
the expiration date stated in the policy and notice of intention 549
not to renew. 550

Sec. 3937.35. Upon receipt of a notice of cancellation given 551
pursuant to section 3937.33 of the Revised Code at any time prior 552
to the effective date of cancellation of ~~a motor vehicle~~ an 553
automobile insurance policy, the insured may apply in writing to 554
the superintendent of insurance for review of such cancellation. 555
~~If the superintendent finds that grounds for hearing do not exist,~~ 556
~~he shall forthwith give written notice to the insured and insurer~~ 557
~~of such finding.~~ If the superintendent finds that there is cause 558
to believe that such cancellation is based on erroneous 559
information, or is contrary to law or the terms of the policy, ~~he~~ 560
the superintendent shall, ~~not later than ten days following~~ 561
~~receipt of the application, hold a hearing to~~ determine whether 562
such cancellation is effective and shall give written notice of 563
such ~~hearing~~ finding to the insured and the insurer ~~not later than~~ 564
~~five days prior to the hearing thereof, provided that the insured~~ 565
~~make a deposit of five dollars by the hearing date. Such deposit~~ 566
~~shall be returned if the finding is in the insured's favor but~~ 567
~~otherwise shall be paid into the general revenue fund by the~~ 568
~~department of insurance.~~ 569

~~If, upon hearing,~~ the superintendent finds that such 570

cancellation is in accordance with law and the terms of the 571
policy, ~~he the superintendent shall, within five days following~~ 572
~~hearing,~~ issue ~~his~~ a written ~~order~~ finding approving such 573
cancellation in such case. ~~If such order is issued less than ten~~ 574
~~days prior to the effective date of cancellation of the policy,~~ 575
~~the policy shall continue in force for ten days following the date~~ 576
~~of the order or until the insured secures other coverage,~~ 577
~~whichever occurs first, and the order of the superintendent shall~~ 578
~~so state.~~ 579

If, upon ~~hearing~~ review, the superintendent finds that such 580
cancellation is contrary to law or the terms of the policy, ~~he the~~ 581
superintendent shall issue ~~his~~ a written ~~order~~ finding 582
disapproving the cancellation and stating in what particulars the 583
same is improper. In such case, the policy continues in force as 584
provided in section 3937.33 of the Revised Code if the insured 585
tenders to the insurer ~~at the time of hearing the~~ within ten days 586
any premium refund made by the insurer. 587

Sec. 4509.01. As used in sections 4509.01 to 4509.78 of the 588
Revised Code: 589

(A) "Person" includes every natural person, firm, 590
partnership, association, or corporation. 591

(B) "Driver" means every person who drives or is in actual 592
physical control of a motor vehicle. 593

(C) "License" includes any license, permit, or privilege to 594
operate a motor vehicle issued under the laws of this state 595
including: 596

(1) Any temporary instruction permit or examiner's driving 597
permit; 598

(2) The privilege of any person to drive a motor vehicle 599
whether or not such person holds a valid license; 600

(3) Any nonresident's operating privilege. 601

(D) "Owner" means a person who holds the legal title of a 602
motor vehicle. If a motor vehicle is the subject of a lease with 603
an immediate right of possession vested in the lessee, the lessee 604
is the owner. A person listed as the owner on a certificate of 605
title on which there is a notation of a security interest is the 606
owner. A buyer or other transferee of a motor vehicle who receives 607
the certificate of title from the seller or transferor listing the 608
seller or transferor thereon as the owner with an assignment of 609
title to the buyer or transferee nonetheless is the owner even 610
though a subsequent certificate of title has not been issued 611
listing the buyer or transferee as the owner. 612

(E) "Registration" means registration certificates and 613
registration plates issued under the laws of this state pertaining 614
to the registration of motor vehicles. 615

(F) "Nonresident" means every person who is not a resident of 616
this state. 617

(G) "Nonresident's operating privilege" means the privilege 618
conferred upon a nonresident by the laws of this state pertaining 619
to the operation by such person of a motor vehicle, or the use of 620
a motor vehicle owned by such person, in this state. 621

(H) "Vehicle" means every device by which any person or 622
property may be transported upon a highway, except electric 623
personal assistive mobility devices, devices moved by power 624
collected from overhead electric trolley wires, or used 625
exclusively upon stationary rails or tracks, and except devices 626
other than bicycles moved by human power. 627

(I) "Motor vehicle" means every vehicle propelled by power 628
other than muscular power or power collected from overhead 629
electric trolley wires, except motorized bicycles, road rollers, 630
traction engines, power shovels, power cranes and other equipment 631

used in construction work and not designed for or employed in 632
general highway transportation, hole-digging machinery, 633
well-drilling machinery, ditch-digging machinery, farm machinery, 634
threshing machinery, hay baling machinery, and agricultural 635
tractors and machinery used in the production of horticultural, 636
floricultural, agricultural, and vegetable products. 637

(J) "Accident" or "motor vehicle accident" means any accident 638
involving a motor vehicle which results in bodily injury to or 639
death of any person, or damage to the property of any person in 640
excess of four hundred dollars. 641

(K) "Proof of financial responsibility" means proof of 642
ability to respond in damages for liability, on account of 643
accidents occurring subsequent to the effective date of such 644
proof, arising out of the ownership, maintenance, or use of a 645
motor vehicle in the amount of ~~twenty~~ twenty-five thousand dollars 646
because of bodily injury to or death of one person in any one 647
accident, in the amount of ~~forty~~ fifty thousand dollars because of 648
bodily injury to or death of two or more persons in any one 649
accident, and in the amount of ~~fifteen~~ twenty-five thousand 650
dollars because of injury to property of others in any one 651
accident. 652

(L) "Motor-vehicle liability policy" means an "owner's 653
policy" or an "operator's policy" of liability insurance, 654
certified as provided in section 4509.46 or 4509.47 of the Revised 655
Code as proof of financial responsibility, and issued, except as 656
provided in section 4509.47 of the Revised Code, by an insurance 657
carrier authorized to do business in this state, to or for the 658
benefit of the person named therein as insured. 659

Sec. 4509.20. (A) A policy or bond does not comply with 660
divisions (A)(5), (A)(6), and (A)(7) of section 4509.19 of the 661
Revised Code unless issued by an insurance company or surety 662

company authorized to do business in this state, except as 663
provided in division (B) of this section, or unless such policy or 664
bond is subject, if the accident has resulted in bodily injury or 665
death, to a limit, exclusive of interest and costs, of not less 666
than ~~twenty~~ twenty-five thousand dollars because of bodily injury 667
to or death of one person in any one accident, and, subject to 668
said limit for one person, to a limit of not less than ~~forty~~ fifty 669
thousand dollars because of bodily injury to or death of two or 670
more persons in one accident, and, if the accident has resulted in 671
injury to, or destruction of property, to a limit of not less than 672
~~fifteen~~ twenty-five thousand dollars because of injury to or 673
destruction of property of others in any one accident. 674

(B) A policy or bond does not comply with divisions (A) (5), 675
(A) (6), and (A) (7) of section 4509.19 of the Revised Code with 676
respect to any motor vehicle which was not registered in this 677
state or was a motor vehicle which was registered elsewhere than 678
in this state at the effective date of the policy or bond or the 679
most recent renewal thereof, unless the insurance company or 680
surety company issuing such policy or bond is authorized to do 681
business in this state, or if said company is not authorized to do 682
business in this state unless it executes a power of attorney 683
authorizing the registrar of motor vehicles to accept service on 684
its behalf of notice or process in any action upon such policy or 685
bond arising out of such accident. 686

The registrar may rely upon the accuracy of the information 687
in the required report of a motor vehicle accident as to the 688
existence of insurance or a bond unless the registrar has reason 689
to believe that the information is erroneous. 690

Sec. 4509.41. (A) Judgments are satisfied for the purpose of 691
sections 4509.01 to 4509.78 of the Revised Code, in each of the 692
following cases: 693

(1) When ~~twenty~~ twenty-five thousand dollars has been 694
credited upon any judgments in excess of that amount because of 695
bodily injury to or death of one person as a result of any one 696
accident; 697

(2) When the sum of ~~forty~~ fifty thousand dollars has been 698
credited upon any judgments in excess of that amount because of 699
bodily injury to or death of two or more persons as the result of 700
any one accident; 701

(3) When ~~fifteen~~ twenty-five thousand dollars has been 702
credited upon any judgments rendered in excess of that amount 703
because of injury to property of others as a result of any one 704
accident. 705

(B) Payments made in settlements of any claims because of 706
bodily injury, death, or property damage arising from such 707
accident shall be credited in reduction of the amounts provided 708
for in this section. 709

Sec. 4509.51. Subject to the terms and conditions of an 710
owner's policy, every owner's policy of liability insurance: 711

(A) Shall designate by explicit description or by appropriate 712
reference all motor vehicles with respect to which coverage is 713
thereby granted; 714

(B) Shall insure the person named therein and any other 715
person, as insured, using any such motor vehicles with the express 716
or implied permission of the insured, against loss from the 717
liability imposed by law for damages arising out of the ownership, 718
maintenance, or use of such vehicles within the United States or 719
Canada, subject to monetary limits exclusive of interest and 720
costs, with respect to each such motor vehicle, as follows: 721

(1) ~~Twenty~~ Twenty-five thousand dollars because of bodily 722
injury to or death of one person in any one accident; 723

(2) ~~Forty~~ Fifty thousand dollars because of bodily injury to 724
or death of two or more persons in any one accident; 725

(3) ~~Fifteen~~ Twenty-five thousand dollars because of injury to 726
property of others in any one accident. 727

Section 2. That existing sections 3901.21, 3937.30, 3937.31, 728
3937.32, 3937.33, 3937.34, 3937.35, 4509.01, 4509.20, 4509.41, and 729
4509.51 of the Revised Code are hereby repealed. 730

Section 3. Sections 1 and 2 of this act shall take effect 731
nine months after the effective date of this act. 732