



Ohio Legislative Service Commission

Bill Analysis

Erika Padgett

H.B. 526

130th General Assembly
(As Introduced)

Reps. Lynch, R. Hagan

BILL SUMMARY

- Prohibits auto insurers from requiring an insured person to go to a particular repair shop or person for vehicle repairs.
- Prohibits an auto insurer from recommending a particular repair shop or person except by the request of the insured person.

CONTENT AND OPERATION

The bill prohibits an insurer from requiring a person who makes a claim on an automobile insurance policy to have the person's vehicle repaired at a particular repair shop or by a particular person. Additionally, the bill prohibits an insurer from recommending or suggesting that the vehicle be repaired at a particular repair shop or by a particular person unless the person making the claim requests such a recommendation or suggestion.¹

An insurer that engages in either of these prohibited activities is of guilty an unfair and deceptive act or practice in the business of insurance. Penalties for unfair and deceptive acts or practices in the business of insurance, under continuing law, must include a cease and desist order, and may include a \$10,000 civil penalty for any violation of that cease and desist order, a suspension or revocation of license, a prohibition against employing the person involved, a requirement to return payments made to the insurer, an order to pay up to \$100,000 to cover half the costs of conducting the investigation, and a civil penalty of up to \$3,500 per violation (with a \$35,000 total

¹ R.C. 3937.381.

cap in any six month period). Ohio's Unfair and Deceptive Practices Law is enforced by the Superintendent of Insurance, the Attorney General, and the courts.²

HISTORY

ACTION	DATE
Introduced	04-28-14

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² R.C. 3937.381 and R.C. 3901.22, not in the bill.

