



Representing Ohio's property/casualty insurance industry

• Dean A. Fadel, President •
Michael D. Farley, Vice President, Legal & Government Affairs • Amanda Sklavenitis, Director, Education •
Kathleen B. Stawn, Director, Member Services

172 E. State Street, Suite 201, Columbus, Ohio 43215-4321 • 614.228.1593 • Fax 614.228.1678 • www.ohioinsurance.org

May 23, 2017

The Honorable Kristina Roegner
Ohio House of Representatives
77 S. High Street
Columbus, OH 43215
Transmitted by electronic mail

Re: Clarification requests for HB 128

Dear Representative Roegner,

The Ohio Insurance Institute is a trade and information association representing 58 Ohio-based property and casualty insurance companies and related affiliate organizations. OII members are the writers of 87% of the auto insurance covered in Ohio.

Generally, the OII is supportive of policy proposals that streamline the process by which the public may more efficiently move through the inspection process. I am bringing two issues to your attention that will improve the context and operation of the proposal you are advancing in HB 128.

First, in line 422 the bill refers to "an expedited arbitration process" for general contractors to appeal inspection results. However, referring to a process as arbitration that is clearly not an arbitration as contemplated in [R.C. 2711](#), has the potential of eroding the existing arbitration process over time. Generally under Ohio law, arbitration has not been mandated on parties but bargained as part of a contract. Moreover, the decision of the "arbitrator" in these matters is not final and is subject to a different appellate process, with a different standard of review, than is found in R.C. 2711. Here, the term "arbitration" is used interchangeably with "appeal." The use of these terms is confusing. I respectfully recommend that the word "appeal" be substituted for "arbitration" to alleviate our concern about creating confusion. (For example the language would be: "an expedited appeal process.") This recommended change will more closely conform to traditional notions of administrative law and avoid confusing the well-understood process of arbitration.

Our second request is that we encourage you to consider the possibility of adding insurers to the list of parties allowed to appeal the decision of the contracted building inspector. Insurers are—in some cases—a necessary party in the discussion as to the disposition of a given party. We would welcome this dialogue as your bill continues consideration.

Please contact me if you have any questions or if I can provide any additional information. I can be contacted at 614-228-1593. Thank you for your consideration.

Sincerely,


Michael D. Farley, Esq.

Cc:

The Honorable Ron Young, Chairman of the House Economic Development, Commerce and Labor Committee
The Honorable Michele Lepore-Hagan, Ranking Member of the House Economic Development, Commerce and Labor Committee