

I_132_2255-2

132nd General Assembly
Regular Session
2017-2018

Sub. S. B. No. 273

A BILL

To amend sections 1317.04, 1317.05, 1923.04, 1
1923.14, 3905.30, 3905.33, 3905.423, 3905.426, 2
3937.25, 3937.28, 3955.05, 3960.11, 3963.02, and 3
5321.17, to enact sections 1.65, 3901.91, 4
3905.332, 3937.47, 3965.01, 3965.02, 3965.03, 5
3965.04, 3965.05, 3965.06, 3965.07, 3965.08, 6
3965.09, 3965.10, and 3965.11, and to repeal 7
section 3905.425 of the Revised Code to enact 8
for the Revised Code a definition of the term 9
"insurance rating agency"; to establish 10
standards for data security and for the 11
investigation of and notification to the 12
Superintendent of Insurance of a cybersecurity 13
event; regarding motor vehicle ancillary product 14
protection contracts and motor vehicle service 15
contracts; to authorize domestic surplus lines 16
insurers; regarding cancellation of certain 17
insurance policies; regarding the use of single 18
interest insurance in retail installment sales 19
contracts; regarding the regulatory authority of 20
the Superintendent of Insurance; and to clarify 21
how to calculate certain timelines under which a 22
forcible entry and detainer action must occur. 23



4txrcvevrxs5wbvdqrcn7s

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

Section 1. That sections 1317.04, 1317.05, 1923.04, 24
1923.14, 3905.30, 3905.33, 3905.423, 3905.426, 3937.25, 3937.28, 25
3955.05, 3960.11, 3963.02, and 5321.17 be amended and sections 26
1.65, 3901.91, 3905.332, 3937.47, 3965.01, 3965.02, 3965.03, 27
3965.04, 3965.05, 3965.06, 3965.07, 3965.08, 3965.09, 3965.10, 28
and 3965.11 of the Revised Code be enacted to read as follows: 29

Sec. 1.65. (A) As used in the Revised Code, "insurance 30
rating agency" means A.M. Best Rating Services, Inc., Demotech, 31
Inc., or a rating agency certified or approved by a national 32
entity that engages in an approval process that includes all of 33
the following: 34

(1) A requirement for the rating agency to register and 35
provide an annual updated filing; 36

(2) Record retention requirements; 37

(3) Financial reporting requirements; 38

(4) Policies for the prevention of misuse of material, 39
nonpublic information; 40

(5) Management of conflicts of interest, including 41
prohibited conflicts; 42

(6) Prohibited acts and practices; 43

(7) Disclosure requirements; 44

(8) Required policies, practices, and internal controls; 45

(9) Standards of training, experience, and competence for 46
credit analysts. 47

(B) Any reference in the Revised Code to an entity named 48
in division (A) of this section shall be construed as a 49
reference to any insurance rating agency as defined in division 50
(A) of this section. Any reference in the Revised Code to a 51
specific entity not named in division (A) of this section but 52
otherwise meeting the definition of "insurance rating agency" in 53
division (A) of this section shall be construed as a reference 54
to an insurance rating agency as defined by division (A) of this 55
section. 56

Sec. 1317.04. The written instrument evidencing a retail 57
installment sale and required by section 1317.02 of the Revised 58
Code shall recite the following: 59

(A) The cash price of the specific goods. 60

(B) The amount in cash of the retail buyer's down payment, 61
if any, whether made in money or goods or partly in money or 62
partly in goods. 63

(C) The unpaid balance of the cash price payable by the 64
retail buyer to the retail seller which is the difference 65
between divisions (A) and (B). 66

~~(D) The cost to the retail buyer of amount included for~~ 67
~~any insurance and the retail buyer has agreed to procure, if the~~ 68
~~retail seller has agreed to purchase the insurance and extend~~ 69
~~credit to the retail buyer for the price thereof types of~~ 70
insurance and terms of coverage. 71

(E) The principal balance owed on the retail installment 72
contract which is the sum total of divisions (C) and (D). 73

(F) The amount of the finance charge. 74

(G) The time balance or indebtedness owed by the retail 75

buyer to the retail seller and the number of installment 76
payments required and the amount and date of each payment 77
necessary finally to pay the time balance which is the sum total 78
of divisions (E) and (F). 79

Divisions (D) and (F) may be added together and stated as 80
one sum in the written instrument and if so stated division (E) 81
may be omitted, but in such event the retail seller or ~~his~~ the 82
retail seller's successor in interest shall, within twenty-five 83
days after the making of the retail installment contract, 84
deliver personally, send by mail, or cause to be sent by mail, 85
to the retail buyer at ~~his~~ the retail buyer's address as shown 86
on the retail installment contract, a statement reciting the 87
separate amounts of divisions (D), (E), and (F). Division (F) 88
may be stated as a rate, if said rate does not exceed eight per 89
cent per annum straight interest, in which event the time 90
balance provided in division (G) need not be stated. 91

The amount and date of each payment need not be separately 92
listed if the payments are specified in terms of a series of 93
payments of specified amounts, which amounts may state the 94
principal amount plus the finance charge in terms of a rate at 95
specified intervals of time from an initial date. 96

The initial date for the payment of the first installment 97
may be a calendar date or may refer to the time of delivery or 98
installation. 99

As used in this section "down payment" means that part of 100
the payment of the cash price required by the retail seller as a 101
condition to the delivery of the specific goods sold or to be 102
sold or to the extension of credit to the retail buyer for any 103
portion of the cash price. 104

Sec. 1317.05. (A) Any retail seller who, in any retail 105
installment contract, has agreed to purchase insurance for the 106
retail buyer and to extend credit for the price thereof, 107
excluding single interest insurance, shall, prior to the due 108
date of the first installment of the retail installment 109
contract, deliver to the retail buyer personally, or mail or 110
cause to be mailed to the retail buyer at the retail buyer's 111
address as shown on the retail installment contract, the policy 112
of insurance, or in lieu thereof a certificate of insurance, or 113
the retail buyer is not liable on the retail buyer's retail 114
installment contract until the policy, or certificate of 115
insurance, is received, or full refund is made of the insurance 116
premium. 117

If the premium for insurance of like kind and amount, as 118
fixed in the published manual of a recognized standard rating 119
bureau designated by the retail seller, is less than the amount 120
charged the retail buyer as fixed in the written instrument in 121
compliance with division (D) of section 1317.04 of the Revised 122
Code, the retail buyer may deduct an amount equal to three times 123
the difference from the amount owed the retail seller, or the 124
retail seller's successor in interest. Sections 1317.01 to 125
1317.11, ~~inclusive,~~ of the Revised Code do not impair the 126
authority of the superintendent of insurance to grant, renew, or 127
revoke licenses, nor do said sections authorize anyone other 128
than a licensee of the division of insurance to directly or 129
indirectly receive any part of the amount charged for insurance 130
in connection with any retail installment sale. 131

(B) As used in this division, "debt cancellation or debt 132
suspension product" means a contractual agreement in which a 133
retail seller, or its assignee, agrees for a separate charge to 134
cancel or waive all or a part of amounts due on a retail buyer's 135

retail installment contract in the event of a total physical 136
damage loss or unrecovered theft of the motor vehicle that is 137
the subject of the contract. "Debt cancellation or debt 138
suspension product" includes a guaranteed asset protection 139
waiver, guaranteed auto protection waiver, or other similarly 140
named agreement. 141

A debt cancellation or debt suspension product, and an 142
addendum to a retail installment contract containing a debt 143
cancellation or debt suspension product, shall be considered a 144
part of the retail installment contract and shall remain a part 145
of that contract upon the assignment, sale, or transfer of that 146
contract. The charge for any debt cancellation or debt 147
suspension product shall be listed as a specific good. The 148
purchase price and the terms of the debt cancellation or debt 149
suspension product shall be disclosed in writing to the buyer. 150
The extension of credit, terms of the credit, or the terms of 151
the related motor vehicle sale or lease shall not be conditioned 152
on the purchase of the debt cancellation or debt suspension 153
product. Notwithstanding any other provision of law, a debt 154
cancellation or debt suspension product shall not be considered 155
insurance. 156

(C) As used in this section, "single interest insurance" 157
means insurance that covers only the interest of the holder of 158
the retail installment contract. Single interest insurance shall 159
be listed as a specific good. 160

Sec. 1923.04. (A) Except as provided in division (B) or 161
(C) of this section, a party desiring to commence an action 162
under this chapter shall notify the adverse party to leave the 163
premises, for the possession of which the action is about to be 164
brought, three or more days before beginning the action, by 165

certified mail, return receipt requested, or by handing a 166
written copy of the notice to the defendant in person, or by 167
leaving it at the defendant's usual place of abode or at the 168
premises from which the defendant is sought to be evicted. The 169
three-day period shall begin on the day immediately following 170
the day the notice is delivered and, notwithstanding section 171
1.14 of the Revised Code, shall count all intervening days 172
including Saturdays, Sundays, and legal holidays. 173

Every notice given under this section by a landlord to 174
recover residential premises shall contain the following 175
language printed or written in a conspicuous manner: "You are 176
being asked to leave the premises. If you do not leave, an 177
eviction action may be initiated against you. If you are in 178
doubt regarding your legal rights and obligations as a tenant, 179
it is recommended that you seek legal assistance." 180

(B) The service of notice pursuant to section 5313.06 of 181
the Revised Code constitutes compliance with the notice 182
requirement of division (A) of this section. The service of the 183
notice required by division (C) of section 5321.17 of the 184
Revised Code constitutes compliance with the notice requirement 185
of division (A) of this section. 186

(C) If the adverse party in an action under this chapter 187
is a deceased resident of a manufactured home park, the notice 188
required by division (A) of this section shall be left at the 189
premises from which the defendant is sought to be evicted and 190
also shall be sent by ordinary mail to the following persons if 191
their names and addresses are known to the park operator: 192

(1) If a probate court has granted letters testamentary or 193
of administration for the estate of the adverse party in 194
accordance with Title XXI of the Revised Code, the executor or 195

administrator appointed by the probate court; 196

(2) The deceased resident's spouse and any other members 197
of the deceased resident's immediate family. 198

Sec. 1923.14. (A) Except as otherwise provided in this 199
section, within ten days after receiving a writ of execution 200
described in division (A) or (B) of section 1923.13 of the 201
Revised Code, the sheriff, police officer, constable, or bailiff 202
shall execute it by restoring the plaintiff to the possession of 203
the premises, and shall levy and collect reasonable costs, not 204
to exceed the standard motion fee, and make return, as upon 205
other executions. The ten-day period shall begin on the day 206
immediately following the day the writ is received by the 207
sheriff, police officer, constable, or bailiff and, 208
notwithstanding section 1.14 of the Revised Code, shall count 209
all intervening days including Saturdays, Sundays, and legal 210
holidays. 211

If an appeal from the judgment of restitution is filed and 212
if, following the filing of the appeal, a stay of execution is 213
obtained and any required bond is filed with the court of common 214
pleas, municipal court, or county court, the judge of that court 215
immediately shall issue an order to the sheriff, police officer, 216
constable, or bailiff commanding the delay of all further 217
proceedings upon the execution. If the premises have been 218
restored to the plaintiff, the sheriff, police officer, 219
constable, or bailiff shall forthwith place the defendant in 220
possession of them, and return the writ with the sheriff's, 221
police officer's, constable's, or bailiff's proceedings and the 222
costs taxed on it. 223

(B) (1) After a municipal court or county court issues a 224
writ of execution described in division (B) of section 1923.13 225

of the Revised Code, the clerk of the court shall send by 226
regular mail, to the last known address of each person other 227
than the titled owner of the manufactured home, mobile home, or 228
recreational vehicle that is the subject of the writ who is 229
listed on the writ as having any outstanding right, title, or 230
interest in the home, vehicle, or personal property and to the 231
auditor and treasurer of the county in which the court is 232
located, a written notice that the home or vehicle potentially 233
may be sold, destroyed, or have its title transferred under the 234
circumstances described in division (B) (3) or (4) of this 235
section. A person having any outstanding right, title, or 236
interest in the home, vehicle, or personal property is not 237
required to consent to the notice required under this division 238
in order for the writ to be executed. 239

(2) Except as otherwise provided in this division, after 240
causing the defendant to be removed from the residential 241
premises of the manufactured home park, if necessary, by writ of 242
restitution, and receiving a writ of execution described in 243
division (B) of section 1923.13 of the Revised Code, in 244
accordance with the writ, the sheriff, police officer, 245
constable, or bailiff may cause the manufactured home, mobile 246
home, or recreational vehicle that is the subject of the writ, 247
and all personal property on the residential premises, to be 248
retained at their current location on the residential premises, 249
until they are claimed by the defendant or they are disposed of 250
in a manner authorized by division (B) (3), (4), or (6) of this 251
section or by another section of the Revised Code. 252

The park operator shall not be liable for any damage 253
caused by the park operator's removal of the manufactured home, 254
mobile home, or recreational vehicle or the removal of the 255
personal property from the residential premises, or for any 256

damage to the home, vehicle, or personal property during the 257
time the home, vehicle, or property remains abandoned or stored 258
in the manufactured home park, unless the damage is the result 259
of acts that the park operator or the park operator's agents or 260
employees performed with malicious purpose, in bad faith, or in 261
a wanton or reckless manner. The reasonable costs for a removal 262
of the manufactured home, mobile home, or recreational vehicle 263
and personal property and, as applicable, the reasonable costs 264
for its storage shall constitute a lien upon the home or vehicle 265
payable by the titled owner of the home or vehicle or payable 266
pursuant to division (B) (3) of this section to the park 267
operator. 268

The sheriff, police officer, constable, or bailiff shall 269
not be liable for any damage caused by the park operator's 270
removal of the manufactured home, mobile home, or recreational 271
vehicle or the removal of the personal property from the 272
residential premises, or for any damage to the home, vehicle, or 273
personal property during the time the home, vehicle, or property 274
remains abandoned or stored in the manufactured home park. 275

(3) Except as provided in divisions (B) (4), (5), and (6) 276
of this section and division (D) of section 1923.12 of the 277
Revised Code, within sixty days after receiving a writ of 278
execution described in division (B) of section 1923.13 of the 279
Revised Code for a manufactured home, mobile home, or 280
recreational vehicle, determined to have a value of more than 281
three thousand dollars, the sheriff, police officer, constable, 282
or bailiff shall commence proceedings for the sale of the 283
manufactured home, mobile home, or recreational vehicle that is 284
the subject of the writ, and the abandoned personal property on 285
the residential premises, if the home or vehicle is determined 286
to be abandoned in accordance with the procedures for the sale 287

of goods on execution under Chapter 2329. of the Revised Code. 288
In addition to all notices required to be given under section 289
2329.13 of the Revised Code, the sheriff, police officer, 290
constable, or bailiff shall serve at their respective last known 291
addresses a written notice of the date, time, and place of the 292
sale upon all persons who are listed on the writ of execution as 293
having any outstanding right, title, or interest in the 294
abandoned manufactured home, mobile home, or recreational 295
vehicle and the personal property and shall provide written 296
notice to the auditor and the treasurer of the county in which 297
the court issuing the writ is located. 298

Unless the proceedings are governed by division (D) of 299
section 1923.12 of the Revised Code, notwithstanding any 300
statutory provision to the contrary, including, but not limited 301
to, section 2329.66 of the Revised Code, there shall be no stay 302
of execution or exemption from levy or sale on execution 303
available to the titled owner of the abandoned manufactured 304
home, mobile home, or recreational vehicle in relation to a sale 305
under this division. Except as otherwise provided in sections 306
2113.031, 2117.25, and 5162.21 of the Revised Code in a case 307
involving a deceased resident or resident's estate, the sheriff, 308
police officer, constable, or bailiff shall distribute the 309
proceeds from the sale of an abandoned manufactured home, mobile 310
home, or recreational vehicle and any personal property under 311
this division in the following manner: 312

(a) The sheriff, police officer, constable, or bailiff 313
shall first pay the costs for any moving of and any storage 314
outside the manufactured home park of the home or vehicle and 315
any personal property pursuant to division (B)(2) of this 316
section, the costs of the sale, any advertising expenses paid by 317
the park operator for the sale of the manufactured home, mobile 318

home, or recreational vehicle under division (B) (3) of this 319
section, and any unpaid court costs assessed against the 320
defendant in the underlying action. 321

(b) Following the payment required by division (B) (3) (a) 322
of this section, the sheriff, police officer, constable, or 323
bailiff shall pay all outstanding tax liens on the home or 324
vehicle. 325

(c) Following the payment required by division (B) (3) (b) 326
of this section, the sheriff, police officer, constable, or 327
bailiff shall pay all other outstanding security interests, 328
liens, or encumbrances on the home or vehicle by priority of 329
filing or other priority. 330

(d) Following the payment required by division (B) (3) (c) 331
of this section, the sheriff, police officer, constable, or 332
bailiff shall pay any outstanding monetary judgment rendered 333
under section 1923.09 or 1923.11 of the Revised Code in favor of 334
the plaintiff and any costs associated with retaining the home 335
or vehicle prior to the sale at its location on the residential 336
premises within the manufactured home park pursuant to division 337
(B) (2) of this section. 338

(e) After complying with divisions (B) (3) (a) to (d) of 339
this section, the sheriff, police officer, constable, or bailiff 340
shall report any remaining money as unclaimed funds pursuant to 341
Chapter 169. of the Revised Code. 342

Upon the return of any writ of execution for the 343
satisfaction of which an abandoned manufactured home, mobile 344
home, or recreational vehicle has been sold under this division, 345
on careful examination of the proceedings of the sheriff, police 346
officer, constable, or bailiff conducting the sale, if the court 347

that issued the writ finds that the sale was made, in all 348
respects, in conformity with this division, the court shall 349
direct the clerk of the court to make an entry on the journal 350
that the court is satisfied with the legality of the sale and 351
order the clerk of the court of common pleas title division to 352
issue a certificate of title, free and clear of all security 353
interests, liens, and encumbrances, to the purchaser of the home 354
or vehicle. If the manufactured home, mobile home, or 355
recreational vehicle sold under this division is located in a 356
manufactured home park, the purchaser of the home or vehicle 357
shall have no right to maintain the home or vehicle in the 358
manufactured home park without the park operator's consent and 359
the sheriff, police officer, constable, or bailiff conducting 360
the sale shall notify all prospective purchasers of this fact 361
prior to the commencement of the sale. 362

If, after it is offered for sale on two occasions under 363
this division, the abandoned manufactured home, mobile home, or 364
recreational vehicle cannot be sold due to a want of bidders, 365
the sheriff, police officer, constable, or bailiff shall present 366
the writ of execution unsatisfied to the clerk of the court of 367
common pleas title division, of the county in which the writ was 368
issued for the issuance by the clerk in the manner prescribed in 369
section 4505.10 of the Revised Code of a certificate of title 370
transferring the title of the home or vehicle to the plaintiff, 371
free and clear of all security interests, liens, and 372
encumbrances. If any taxes are owed on the home or vehicle at 373
this time, the county auditor shall remove the delinquent taxes 374
from the manufactured home tax list and the delinquent 375
manufactured home tax list and remit any penalties for late 376
payment of manufactured home taxes. Acceptance of the 377
certificate of title by the plaintiff terminates all further 378

proceedings under this section. In accordance with division (E) 379
(3) of section 4503.061 of the Revised Code, the plaintiff shall 380
notify the county auditor of the transfer of title. Pursuant to 381
section 4503.061 of the Revised Code, if the manufactured home, 382
mobile home, or recreational vehicle is destroyed or removed, 383
the plaintiff shall provide the county auditor with notice of 384
removal or destruction of the manufactured home, mobile home, or 385
recreational vehicle. 386

(4) Except as provided in division (B) (5) or (6) of this 387
section and division (D) of section 1923.12 of the Revised Code, 388
within thirty days after receiving a writ of execution described 389
in division (B) of section 1923.13 of the Revised Code, if the 390
manufactured home, mobile home, or recreational vehicle is 391
determined to be abandoned and to have a value of three thousand 392
dollars or less, the sheriff, police officer, constable, or 393
bailiff shall present the writ of execution to the clerk of the 394
court of common pleas title division, of the county in which the 395
writ was issued for the issuance by the clerk in the manner 396
prescribed in section 4505.10 of the Revised Code of a 397
certificate of title transferring the title of the home or 398
vehicle to the plaintiff, free and clear of all security 399
interests, liens, and encumbrances. If any taxes are owed on the 400
home or vehicle at this time, the county auditor shall remove 401
the delinquent taxes from the manufactured home tax list and the 402
delinquent manufactured home tax list and remit any penalties 403
for late payment of manufactured home taxes. Acceptance of the 404
certificate of title by the plaintiff terminates all further 405
proceedings under this section. In accordance with division (E) 406
(3) of section 4503.061 of the Revised Code, the plaintiff shall 407
notify the county auditor of the transfer of title. Pursuant to 408
section 4503.0611 of the Revised Code, if the manufactured home, 409

mobile home, or recreational vehicle is destroyed or removed, 410
the plaintiff shall provide the county auditor with notice of 411
removal or destruction of the manufactured home, mobile home, or 412
recreational vehicle. 413

(5) At any time prior to the issuance of the writ of 414
execution described in division (B) of section 1923.13 of the 415
Revised Code, the titled owner of the manufactured home, mobile 416
home, or recreational vehicle that would be the subject of the 417
writ may remove the abandoned home or vehicle from the 418
manufactured home park upon payment to the county auditor of all 419
outstanding tax liens on the home or vehicle and, unless the 420
owner is indigent, payment to the clerk of court of all unpaid 421
court costs assessed against the defendant in the underlying 422
action. After the issuance of the writ of execution, the titled 423
owner of the home or vehicle may remove the abandoned home or 424
vehicle from the manufactured home park at any time up to the 425
day before the scheduled sale, destruction, or transfer of the 426
home or vehicle pursuant to division (B) (3) or (4) of this 427
section upon payment of all of the following: 428

(a) All costs incurred by the sheriff, police officer, 429
constable, or bailiff; 430

(b) All outstanding tax liens on the home or vehicle; 431

(c) Unless the owner is indigent, all unpaid court costs 432
assessed against the defendant in the underlying action. 433

(6) At any time after the issuance of the writ of 434
execution described in division (B) of section 1923.13 of the 435
Revised Code, the holder of any outstanding lien, right, title, 436
or interest in the manufactured home, mobile home, or 437
recreational vehicle, other than the titled owner of the home or 438

vehicle, may stop the sheriff, police officer, constable, or 439
bailiff from proceeding with the sale under this division by 440
doing both of the following: 441

(a) Commencing a proceeding to repossess the home or 442
vehicle pursuant to Chapters 1309. and 1317. of the Revised 443
Code; 444

(b) Paying to the park operator all monthly rental 445
payments for the lot on which the home or vehicle is located 446
from the time of the issuance of the writ of execution until the 447
time that the home or vehicle is sold pursuant to Chapters 1309. 448
and 1317. of the Revised Code. 449

(7) (a) At any time prior to the day before the scheduled 450
sale of the property pursuant to division (B) (3) of this 451
section, the defendant may remove any personal property of the 452
defendant from the abandoned home or vehicle or other place of 453
storage. 454

(b) If personal property owned by a person other than the 455
defendant is abandoned on the residential premises and has not 456
previously been removed, the owner of the personal property may 457
remove the personal property from the abandoned home or vehicle 458
or other place of storage up to the day before the scheduled 459
sale of the property pursuant to division (B) (3) of this section 460
upon presentation of proof of ownership of the property that is 461
satisfactory to the sheriff, police officer, constable, or 462
bailiff conducting the sale. 463

Sec. 3901.91. When the superintendent of insurance adopts 464
or amends a rule, including a rule related to the 465
superintendent's duties and powers under Chapters 1751. and 466
1753. and Title XXXIX of the Revised Code or a rule related to 467

an "insurance rating agency" as defined by section 1.65 of the 468
Revised Code, the superintendent shall give consideration to the 469
inclusion in the rule of the definition of "insurance rating 470
agency" found in section 1.65 of the Revised Code. 471

Sec. 3905.30. (A) As used in sections 3905.30 to 3905.38 472
of the Revised Code: 473

(1) Notwithstanding section 3905.01 of the Revised Code, 474
"home state" means the state in which an insured maintains its 475
principal place of business or, in the case of an individual, 476
the individual's principal residence except in the case of 477
either of the following: 478

(a) If one hundred per cent of the insured risk is located 479
out of the state in which an insured maintains its principal 480
place of business or principal residence as described in 481
division (A)(1)(a) of this section, "home state" means the state 482
to which the greatest percentage of the insured's taxable 483
premium for that insurance contract is allocated. 484

(b) If more than one insured from an affiliated group are 485
named insureds on a single unauthorized insurance contract, 486
"home state" means the state in which the member of the 487
affiliated group that has the largest percentage of premium 488
attributed to it under such insurance contract. 489

(2) "Principal place of business" means the state where 490
the insured maintains the insured's headquarters and where the 491
insured's high-level officers direct, control, and coordinate 492
the business activities of the insured. 493

(B) The superintendent of insurance may issue a surplus 494
lines broker's license to any natural person who is a resident 495
of this or any other state or to a business entity that is 496

organized under the laws of this or any other state. To be 497
eligible for a resident surplus lines broker's license, a person 498
must have both a property license and a casualty license. To be 499
eligible for a nonresident surplus lines broker's license, a 500
person must hold an active surplus lines broker license in the 501
person's home state. A nonresident surplus lines broker shall 502
obtain a nonresident license with a property and casualty line 503
of authority in this state if the broker is or will be 504
personally performing the due diligence requirements under 505
section 3905.33 of the Revised Code. 506

(C) (1) A surplus lines broker's license permits the person 507
named in the license to negotiate for and obtain insurance, 508
other than life insurance, on property or persons in this state 509
from ~~insurers~~ both of the following: 510

(a) Insurers not authorized to transact business in this 511
state; 512

(b) An insurer designated as a domestic surplus lines 513
insurer pursuant to section 3905.332 of the Revised Code. 514

(2) Each such license expires on the thirty-first day of 515
January next after the year in which it is issued, and may be 516
then renewed. 517

Sec. 3905.33. (A) No person licensed under section 3905.30 518
of the Revised Code shall solicit, procure an application for, 519
bind, issue, renew, or deliver a policy with any insurer that is 520
not eligible to write insurance on an unauthorized basis in this 521
state. 522

Pursuant to the "Nonadmitted and Reinsurance Reform Act of 523
2010," 15 U.S.C. 8201 et seq., 124 Stat. 1589, or any successor 524
or replacement law, where this state is the home state of the 525

insured, an insurer shall be considered eligible to write 526
insurance on an unauthorized basis in this state if ~~either~~any 527
of the following are true: 528

(1) The insurer meets the requirements and criteria in 529
sections 5A(2) and 5C(2) (a) of the nonadmitted insurance model 530
act adopted by the national association of insurance 531
commissioners, or alternative nationwide uniform eligibility 532
requirements adopted by this state through participation in a 533
compact or other nationwide system pursuant to 15 U.S.C. 8201 et 534
seq., 124 Stat. 1589. 535

(2) For unauthorized insurance placed with, or procured 536
from an unauthorized insurer domiciled outside the United 537
States, the insurer is listed on the quarterly listing of alien 538
insurers maintained by the international insurers department of 539
the national association of insurance commissioners. 540

(3) The insurer has been designated as a domestic surplus 541
lines insurer pursuant to section 3905.332 of the Revised Code. 542

(B) (1) No surplus lines broker shall solicit, procure, 543
place, or renew any insurance with an unauthorized insurer 544
unless an agent or the surplus lines broker has complied with 545
the due diligence requirements of this section and is unable to 546
procure the requested insurance from an authorized insurer. 547

Due diligence requires an agent to contact at least five 548
of the authorized insurers the agent represents, or as many 549
insurers as the agent represents, that customarily write the 550
kind of insurance required by the insured. Due diligence is 551
presumed if declinations are received from each authorized 552
insurer contacted. If any authorized insurer fails to respond 553
within ten days after the initial contact, the agent may assume 554

the insurer has declined to accept the risk. 555

(2) Due diligence shall only be performed by an agent 556
licensed in this state that holds an active property and 557
casualty insurance agent license. 558

(3) An insurance agent or surplus lines broker is exempt 559
from the due diligence requirements of this section if the agent 560
or surplus lines broker is procuring insurance from a risk 561
purchasing group or risk retention group as provided in Chapter 562
3960. of the Revised Code. 563

(4) An insurance agent or surplus lines broker is exempt 564
from the due diligence requirements of this section if the agent 565
or surplus lines broker is seeking to procure or place 566
unauthorized insurance for a person that qualifies as an exempt 567
commercial purchaser under section 3905.331 of the Revised Code 568
and both of the following are true: 569

(a) The surplus lines broker procuring or placing the 570
surplus lines insurance has disclosed to the exempt commercial 571
purchaser that the insurance may or may not be available from 572
the authorized market that may provide greater protection with 573
more regulatory oversight. 574

(b) After receipt of the disclosure required under 575
division (B) (4) (a) of this section, the exempt commercial 576
purchaser has requested in writing that the insurance agent or 577
broker procure or place the insurance from an unauthorized 578
insurer. 579

(C) Except when exempt from due diligence requirements 580
under division (B) of this section, an insurance agent who 581
procures or places insurance through a surplus lines broker 582
shall obtain a signed statement from the insured acknowledging 583

that the insurance policy is to be placed with a company or 584
insurer not authorized to do business in this state and 585
acknowledging that, in the event of the insolvency of the 586
insurer, the insured is not entitled to any benefits or proceeds 587
from the Ohio insurance guaranty association. The statement must 588
be on a form prescribed by the superintendent and need not be 589
notarized. The agent shall submit the original signed statement 590
to the surplus lines broker within thirty days after the 591
effective date of the policy. If no other agent is involved, the 592
surplus lines broker shall obtain the statement from the 593
insured. 594

The surplus lines broker shall maintain the original 595
signed statement or a copy of the statement, and the originating 596
agent shall keep a copy of the statement, for at least five 597
years after the effective date of the policy to which the 598
statement pertains. A copy of the signed statement shall be 599
given to the insured at the time the insurance is bound or a 600
policy is delivered. 601

(D) For the purpose of carrying out the "Nonadmitted and 602
Reinsurance Reform Act of 2010," 124 Stat. 1589, 15 U.S.C. 8201 603
et seq., or any successor or replacement law, the superintendent 604
shall conduct a fiscal analysis of the impact of entering into a 605
multistate agreement or compact for determining eligibility for 606
placement of unauthorized insurance and for payment, reporting, 607
collection, and allocation of the tax on unauthorized insurance. 608
If the fiscal analysis indicates that entering into a multistate 609
agreement or compact is advantageous to this state, the 610
superintendent may enter into the surplus lines insurance 611
multistate compliance compact adopted by the national conference 612
of insurance legislators and known as "SLIMPACT," as amended on 613
December 21, 2010, and including any subsequent amendment; or, 614

if it is in this state's financial best interest, the 615
superintendent shall request that the general assembly authorize 616
the superintendent to enter into a different multistate 617
agreement or compact. 618

(E) The superintendent may adopt rules in accordance with 619
Chapter 119. of the Revised Code to carry out the purposes of 620
sections 3905.30 to 3905.38 of the Revised Code. 621

Sec. 3905.332. (A) Notwithstanding any other provision of 622
the Revised Code, a domestic insurer may be designated a 623
domestic surplus lines insurer pursuant to this section. 624

(B) A domestic insurer shall not be designated a domestic 625
surplus lines insurer unless all of the following are met: 626

(1) The domestic insurer possesses minimum capital and 627
surplus of at least fifteen million dollars. 628

(2) The domestic insurer is seeking to become a domestic 629
surplus lines insurer pursuant to a resolution adopted by its 630
board of directors. 631

(3) The superintendent of insurance has authorized the 632
designation of the insurer as a domestic surplus lines insurer 633
in writing. 634

(C) A domestic surplus lines insurer shall be considered 635
an unauthorized insurer for the purposes of writing surplus 636
lines insurance coverage pursuant to the requirements of this 637
chapter. 638

(D) (1) A domestic surplus lines insurer shall only write 639
surplus lines insurance in this state in accordance with the 640
requirements of this chapter. 641

(2) A domestic surplus lines insurer may write surplus 642

lines insurance in any other jurisdiction in which the insurer 643
is eligible to write surplus lines insurance, provided that the 644
domestic surplus lines insurer complies with any requirements of 645
that jurisdiction. 646

(E) A domestic surplus lines insurer shall not engage in 647
the business of insurance in this state on an admitted basis. 648

(F) Surplus lines insurance written by a domestic surplus 649
lines insurer is subject to the tax on premiums as required in 650
section 3905.36 of the Revised Code and is exempt from the tax 651
on premiums required in section 5725.18 of the Revised Code. 652

(G) A domestic surplus lines insurer shall be considered a 653
nonadmitted insurer as defined in 15 U.S.C. 8206 with respect to 654
surplus lines insurance issued in this state. 655

(H) Surplus lines insurance policies issued in this state 656
by a domestic surplus lines insurer are not subject to the 657
provisions of Chapter 3955. of the Revised Code nor are they 658
subject to the protection of either Ohio insurance guaranty 659
association account established pursuant to section 3955.06 of 660
the Revised Code. 661

(I) Surplus lines insurance policies issued in this state 662
by a domestic surplus lines insurer are not subject to and are 663
exempt, in the same manner and to the same extent as surplus 664
lines insurance policies issued by an insurer domiciled in 665
another state, from all statutory requirements relating to all 666
of the following: 667

(1) Insurance rating and rating plans; 668

(2) Policy forms; 669

(3) Policy cancellation and renewal. 670

(J) Unless otherwise specified in this section or 671
specifically exempted under this chapter, a domestic surplus 672
lines insurer shall be subject to all financial, reserve, and 673
solvency requirements under this title that are imposed on 674
domestic admitted insurers, as applicable. 675

Sec. 3905.423. (A) As used in this section: 676

(1) "Consumer" has the same meaning as in section 1345.01 677
of the Revised Code. 678

(2) "Consumer goods" means goods sold, leased, assigned, 679
awarded by chance, or transferred to a consumer in a consumer 680
transaction. 681

(3) "Consumer goods service contract" means a contract or 682
agreement to perform or pay for repairs, replacement, or 683
maintenance of consumer goods due to a defect in materials or 684
workmanship, normal wear and tear, power surges, or accidental 685
damage from handling, that is effective for a specified duration 686
and paid for by means other than the purchase of the consumer 687
goods. "Consumer goods service contract" does not include any of 688
the following: 689

(a) ~~A motor vehicle service contract or agreement to~~ 690
~~perform or pay for the repair, replacement, or maintenance of a~~ 691
~~motor vehicle or utility vehicle, as defined in section 4501.01~~ 692
~~3905.426 of the Revised Code, due to a defect in materials or~~ 693
~~workmanship, normal wear and tear, mechanical or electrical~~ 694
~~breakdown, or failure of parts or equipment of a motor vehicle~~ 695
~~that is effective for a specified duration and paid for by means~~ 696
~~other than the purchase of a motor vehicle or utility vehicle;~~ 697

(b) A vehicle protection product as defined in section 698
3905.421 of the Revised Code; 699

(c) A home service contract as defined in section 3905.422 of the Revised Code;	700 701
(d) A motor vehicle tire or wheel road hazard contract as defined in section 3905.425 of the Revised Code;	702 703
(e) A motor vehicle ancillary product protection contract as defined in section 3905.426 of the Revised Code;	704 705
<u>(e) A contract for prepaid routine, scheduled maintenance only.</u>	706 707
(4) "Consumer transaction" has the same meaning as in section 1345.01 of the Revised Code.	708 709
(5) "Contract holder" means the consumer who purchased goods covered by a consumer goods service contract, any authorized transferee or assignee of the consumer, or any other person assuming the consumer's rights under the consumer goods service contract.	710 711 712 713 714
(6) "Provider" means a person who is contractually obligated to a contract holder under the terms of a consumer goods service contract.	715 716 717
(7) "Reimbursement insurance policy" means a policy of insurance issued by an insurer authorized or eligible to do business in this state to a provider to pay, on behalf of the provider in the event of the provider's nonperformance, all covered contractual obligations incurred by the provider under the terms and conditions of the consumer goods service contract.	718 719 720 721 722 723
(8) "Supplier" has the same meaning as in section 1345.01 of the Revised Code.	724 725
(B) All consumer goods service contracts issued in this state that provide for the performance of or payment for	726 727

repairs, replacement, or maintenance of consumer goods due to 728
power surges or accidental damage from handling shall be covered 729
by a reimbursement insurance policy. 730

(C) A consumer goods service contract issued by a provider 731
that is required to be covered by a reimbursement insurance 732
policy under division (B) of this section shall conspicuously 733
state all of the following: 734

(1) That the obligations of the provider are guaranteed 735
under a reimbursement insurance policy; 736

(2) That if a provider fails to perform or make payment 737
due under the terms of the contract within sixty days after the 738
contract holder requests performance or payment pursuant to the 739
terms of the contract, the contract holder may request 740
performance or payment directly from the provider's 741
reimbursement insurance policy insurer, including, but not 742
limited to, any obligation in the contract by which the provider 743
must refund the contract holder upon cancellation of a contract; 744

(3) The name, address, and telephone number of the 745
provider's reimbursement insurance policy insurer. 746

(D) A reimbursement insurance policy that is required to 747
be issued under this section shall contain: 748

(1) A statement that if a provider fails to perform or 749
make payment due under the terms of the consumer goods service 750
contract within sixty days after the contract holder requests 751
performance or payment pursuant to the terms of the contract, 752
the contract holder may request performance or payment directly 753
from the provider's reimbursement insurance policy insurer, 754
including, but not limited to, any obligation in the contract by 755
which the provider must refund the contract holder upon 756

cancellation of a contract; 757

(2) A statement that in the event of cancellation of the 758
provider's reimbursement insurance policy, insurance coverage 759
will continue for all contract holders whose consumer goods 760
service contracts were issued by the provider and reported to 761
the insurer for coverage during the term of the reimbursement 762
insurance policy. 763

(E) The sale or issuance of a consumer goods service 764
contract is a consumer transaction for purposes of sections 765
1345.01 to 1345.13 of the Revised Code. The provider is the 766
supplier and the contract holder is the consumer for purposes of 767
those sections. 768

(F) Unless issued by an insurer authorized or eligible to 769
do business in this state, a consumer goods service contract 770
does not constitute a contract substantially amounting to 771
insurance, or the contract's issuance the business of insurance, 772
under section 3905.42 of the Revised Code. 773

(G) The rights of a contract holder against a provider's 774
reimbursement insurance policy insurer as provided in this 775
section apply only in regard to a reimbursement insurance policy 776
issued under this section. This section does not create any 777
contractual rights in favor of a person that does not qualify as 778
an insured under any other type of insurance policy described in 779
Title XXXIX of the Revised Code. 780

Sec. 3905.426. (A) As used in this section: 781

(1) "Contract holder" means the person who purchased a 782
motor vehicle ancillary product protection contract, any 783
authorized transferee or assignee of the purchaser, or any other 784
person assuming the purchaser's rights under the motor vehicle 785

ancillary product protection contract.	786
(2) "Motor vehicle" has the same meaning as in section	787
4501.01 of the Revised Code and also includes utility vehicles	788
as defined in that section.	789
(3) (a) "Motor vehicle ancillary product protection	790
contract" means a contract or agreement that is effective for a	791
specified duration and paid for by means other than the purchase	792
of a motor vehicle, or its parts or equipment, to perform any	793
one or more of the following services:	794
(i) Repair or replacement of glass on a motor vehicle	795
necessitated by wear and tear or damage caused by a road hazard;	796
(ii) Removal of a dent, ding, or crease without affecting	797
the existing paint finish using paintless dent removal	798
techniques but which expressly excludes replacement of vehicle	799
body panels, sanding, bonding, or painting;	800
(iii) Repair to the interior components of a motor vehicle	801
necessitated by wear and tear but which expressly excludes	802
replacement of any part or component of a motor vehicle's	803
interior;	804
<u>(iv) Repair or replacement of tires or wheels damaged</u>	805
<u>because of a road hazard;</u>	806
<u>(v) Replacement of a lost, stolen, or inoperable key or</u>	807
<u>key fob.</u>	808
(b) <u>A motor vehicle ancillary product protection contract</u>	809
<u>may, but is not required to, provide for incidental payment of</u>	810
<u>indemnity under limited circumstances, including, without</u>	811
<u>limitation, towing, rental, and emergency road services.</u>	812
<u>(c) "Motor vehicle ancillary product protection contract"</u>	813

does not include any of the following: 814

(i) ~~A motor vehicle service contract or agreement to
perform or pay for the repair, replacement, or maintenance of a
motor vehicle due to defect in materials or workmanship, normal
wear and tear, mechanical or electrical breakdown, or failure of
parts or equipment of a motor vehicle that is effective for a
specified duration and paid for by means other than the purchase
of a motor vehicle;~~ 815
816
817
818
819
820
821

(ii) A vehicle protection product warranty as defined in 822
section 3905.421 of the Revised Code; 823

(iii) A home service contract as defined in section 824
3905.422 of the Revised Code; 825

(iv) A consumer goods service contract as defined in 826
section 3905.423 of the Revised Code; 827

(v) ~~A motor vehicle tire or wheel road hazard contract as
defined in section 3905.425 of the Revised Code for prepaid
routine, scheduled maintenance only.~~ 828
829
830

(4) "Motor vehicle service contract" means a contract or 831
agreement to perform or pay for the repair, replacement, or 832
maintenance of a motor vehicle due to defect in materials or 833
workmanship, normal wear and tear, mechanical or electrical 834
breakdown, or failure of parts or equipment of a motor vehicle, 835
with or without additional provisions for incidental payment of 836
indemnity under limited circumstances, including, without 837
limitation, towing, rental, and emergency road services, that is 838
effective for a specified duration and paid for by means other 839
than the purchase of a motor vehicle. 840

(5) "Provider" means a person who is contractually 841
obligated to a contract holder under the terms of a motor 842

vehicle ancillary product protection contract. 843

~~(5)~~(6) "Road hazard" means a condition that may cause 844
damage or wear and tear to a tire or wheel on a public or 845
private roadway, roadside, driveway, or parking lot or garage, 846
including potholes, nails, glass, road debris, and curbs. "Road 847
hazard" does not include fire, theft, vandalism or malicious 848
mischievous, or other perils normally covered by automobile 849
physical damage insurance. 850

(7) "Reimbursement insurance policy" means a policy of 851
insurance issued by an insurer authorized or eligible to do 852
business in this state to a provider to pay, on behalf of the 853
provider in the event of the provider's nonperformance, all 854
covered contractual obligations incurred by the provider under 855
the terms and conditions of the motor vehicle ancillary product 856
protection contract. 857

~~(6)~~(8) "Supplier" has the same meaning as in section 858
1345.01 of the Revised Code. 859

(B) All motor vehicle ancillary product protection 860
contracts issued in this state shall be covered by a 861
reimbursement insurance policy. 862

(C) A motor vehicle ancillary product protection contract 863
issued by a provider that is required to be covered by a 864
reimbursement insurance policy under division (B) of this 865
section shall conspicuously state all of the following: 866

(1) "This contract is not insurance and is not subject to 867
the insurance laws of this state." 868

(2) That the obligations of the provider are guaranteed 869
under a reimbursement insurance policy; 870

(3) That if a provider fails to perform or make payment 871
due under the terms of the contract within sixty days after the 872
contract holder requests performance or payment pursuant to the 873
terms of the contract, the contract holder may request 874
performance or payment directly from the provider's 875
reimbursement insurance policy insurer, including any obligation 876
in the contract by which the provider must refund the contract 877
holder upon cancellation of a contract; 878

(4) The name, address, and telephone number of the 879
provider's reimbursement insurance policy insurer. 880

(D) A motor vehicle ancillary product protection contract 881
that includes repair or replacement of glass on a motor vehicle 882
as provided in division (A)(3)(a)(i) of this section, shall 883
conspicuously state: "This contract may provide a duplication of 884
coverage already provided by your automobile physical damage 885
insurance policy." 886

(E) A reimbursement insurance policy that is required to 887
be issued under this section shall contain: 888

(1) A statement that if a provider fails to perform or 889
make payment due under the terms of the motor vehicle ancillary 890
product protection contract within sixty days after the contract 891
holder requests performance or payment pursuant to the terms of 892
the contract, the contract holder may request performance or 893
payment directly from the provider's reimbursement insurance 894
policy insurer, including any obligation in the contract by 895
which the provider must refund the contract holder upon 896
cancellation of a contract. 897

(2) A statement that in the event of cancellation of the 898
provider's reimbursement insurance policy, insurance coverage 899

will continue for all contract holders whose motor vehicle 900
ancillary product protection contracts were issued by the 901
provider and reported to the insurer for coverage during the 902
term of the reimbursement insurance policy. 903

(F) The sale or issuance of a motor vehicle ancillary 904
product protection contract is a consumer transaction for 905
purposes of sections 1345.01 to 1345.13 of the Revised Code. The 906
provider is the supplier and the contract holder is the consumer 907
for purposes of those sections. 908

(G) Unless issued by an insurer authorized or eligible to 909
do business in this state, a motor vehicle ancillary product 910
protection contract does not constitute a contract substantially 911
amounting to insurance, or the contract's issuance the business 912
of insurance, under section 3905.42 of the Revised Code. 913

(H) Unless issued by an insurer authorized or eligible to 914
do business in this state, a contract identified in division (A) 915
(3) (c) (i) or (v) of this section does not constitute a contract 916
substantially amounting to insurance, or the contract's issuance 917
the business of insurance, under section 3905.42 of the Revised 918
Code. 919

(I) The rights of a contract holder against a provider's 920
reimbursement insurance policy insurer as provided in this 921
section apply only in regard to a reimbursement insurance policy 922
issued under this section. This section does not create any 923
contractual rights in favor of a person that does not qualify as 924
an insured under any other type of insurance policy described in 925
Title XXXIX of the Revised Code. This section does not prohibit 926
the insurer of a provider's reimbursement insurance policy from 927
assuming liability for contracts issued prior to the effective 928
date of the policy or ~~this statute~~ July 1, 2009. 929

(J) A contract or agreement described in division (A) (3) 930
(a) (iv) of this section in which the provider is a tire 931
manufacturer shall be exempt from the requirements of division 932
(B) of this section if the contract or agreement conspicuously 933
states all of the following: 934

(1) That the contract or agreement is not an insurance 935
contract; 936

(2) That any covered obligations or claims under the 937
contract or agreement are the responsibility of the provider; 938

(3) The name, address, and telephone number of any 939
administrator responsible for the administration of the contract 940
or agreement, the provider obligated to perform under the 941
contract or agreement, and the contract seller; 942

(4) The procedure for making a claim under the contract or 943
agreement, including a toll-free telephone number for claims 944
service and a procedure for obtaining emergency repairs or 945
replacements performed outside normal business hours. 946

Sec. 3937.25. (A) As used in sections 3937.25 to 3937.29 947
of the Revised Code, "medical malpractice insurance" means 948
insurance coverage against the legal liability of the insured 949
for loss, damage, or expense arising from a medical, optometric, 950
or chiropractic claim, as those claims are defined in section 951
2305.113 of the Revised Code. 952

(B) After a policy of commercial property insurance, 953
commercial fire insurance, or commercial casualty insurance 954
other than fidelity or surety bonds, medical malpractice 955
insurance, and automobile insurance as defined in section 956
3937.30 of the Revised Code, has been in effect for more than 957
ninety days, a notice of cancellation for such policy shall not 958

be issued by any licensed insurer unless it is based on one of	959
the following grounds:	960
(1) Nonpayment of premium;	961
(2) Discovery of fraud or material misrepresentation in	962
the procurement of the insurance or with respect to any claims	963
submitted thereunder;	964
(3) Discovery of a moral hazard or willful or reckless	965
acts or omissions on the part of the named insured that increase	966
any hazard insured against;	967
(4) The occurrence of a change in the individual risk	968
which substantially increases any hazard insured against after	969
insurance coverage has been issued or renewed, except to the	970
extent the insurer reasonably should have foreseen the change or	971
contemplated the risk in writing the contract;	972
(5) Loss of applicable reinsurance or a substantial	973
decrease in applicable reinsurance, if the superintendent has	974
determined that reasonable efforts have been made to prevent the	975
loss of, or substantial decrease in, the applicable reinsurance,	976
or to obtain replacement coverage;	977
(6) Failure of an insured to correct material violations	978
of safety codes or to comply with reasonable written loss	979
control recommendations;	980
(7) A determination by the superintendent of insurance	981
that the continuation of the policy would create a condition	982
that would be hazardous to the policyholders or the public.	983
(C) The notice of cancellation required by this section	984
must be in writing, be mailed to the insured at the insured's	985
last known address, and contain all of the following:	986

(1) The policy number;	987
(2) The date of the notice;	988
(3) The effective date of the cancellation;	989
(4) An explanation of the reason for cancellation.	990
Such notice of cancellation also shall be mailed to the insured's agent.	991 992
(D) (1) Except for nonpayment of premium, the effective date of cancellation must be no less than thirty days from the date of mailing the notice.	993 994 995
(2) (a) When cancellation is for nonpayment of premium, the effective date of cancellation must be no less than ten days from the date of mailing the notice.	996 997 998
(b) An insurer may include a notice of cancellation of a policy of automobile insurance for nonpayment of premium with a billing notice. Subject to division (D) (2) (a) of this section, such a cancellation is effective on or after the due date of the bill.	999 1000 1001 1002 1003
(E) Nothing in division (B) of this section shall be construed to prevent an insurer from writing a policy of commercial property insurance, commercial fire insurance, or commercial casualty insurance other than medical malpractice insurance and automobile insurance as defined in section 3937.30 of the Revised Code for a period greater than one year and providing in such policy that the insurer may issue a notice of cancellation of such policy at least thirty days prior to an anniversary of such policy, with the effective date of cancellation being that anniversary.	1004 1005 1006 1007 1008 1009 1010 1011 1012 1013
The superintendent may prescribe that adequate disclosure	1014

be made to the insured when a policy is issued for a term of 1015
more than one year. 1016

(F) There is no liability on the part of, and no cause of 1017
action of any nature arises against, the superintendent of 1018
insurance, any insurer, or any person furnishing information 1019
requested by the superintendent, an insurer, the agent, 1020
employee, attorney, or other authorized representative of any 1021
such persons, for any oral or written statement made to supply 1022
information relevant to a determination on cancellation of any 1023
policy of commercial property insurance, commercial fire 1024
insurance, or commercial casualty insurance other than fidelity 1025
or surety bonds, medical malpractice insurance, and automobile 1026
insurance as defined in section 3937.30 of the Revised Code, or 1027
in connection with advising an insured or an insured's attorney 1028
of the reasons for a cancellation of such insurance, or in 1029
connection with any administrative or judicial proceeding 1030
arising out of or related to such cancellation. 1031

Sec. 3937.28. (A) A notice of cancellation of a policy of 1032
medical malpractice insurance shall not be issued by any 1033
licensed insurer unless it is based on one of the following 1034
grounds: 1035

(1) Nonpayment of premium; 1036

(2) Discovery of fraud or material misrepresentation in 1037
the procurement of the insurance or with respect to any claims 1038
submitted thereunder; 1039

(3) Discovery of a moral hazard or willful or reckless 1040
acts or omissions on the part of the named insured that increase 1041
any hazard insured against; 1042

(4) The occurrence of a change in the individual risk that 1043

substantially increases any hazard insured against after 1044
insurance coverage has been issued or renewed, except to the 1045
extent the insurer reasonably should have foreseen the change or 1046
contemplated the risk in writing the contract; 1047

(5) Loss of applicable reinsurance or a substantial 1048
decrease in applicable reinsurance, if the superintendent of 1049
insurance has determined that reasonable efforts have been made 1050
to prevent the loss of, or substantial decrease in, the 1051
applicable reinsurance, or to obtain replacement coverage; 1052

(6) Failure of an insured to correct material violations 1053
of safety codes or to comply with reasonable written loss 1054
control recommendations; 1055

(7) A determination by the superintendent that the 1056
continuation of the policy would create a condition that would 1057
be hazardous to the policyholders or the public. 1058

(B) The notice of cancellation required by this section 1059
shall be in writing, be mailed both to the insured at the 1060
insured's last known address and to the insured's agent, and 1061
contain all of the following: 1062

(1) The policy number; 1063

(2) The date of the notice; 1064

(3) The effective date of the cancellation; 1065

(4) An explanation of the grounds for cancellation. 1066

(C) Except when cancellation is for nonpayment of premium, 1067
the effective date of cancellation shall be not less than sixty 1068
days from the date of mailing the notice. When cancellation is 1069
for nonpayment of premium, the effective date of cancellation 1070
shall be not less than ten days from the date of mailing the 1071

notice. The insurer may include the notice described in division 1072
(D) (2) of section 3937.25 of the Revised Code. 1073

(D) Nothing in division (A) of this section shall be 1074
construed to prevent an insurer from writing a policy of medical 1075
malpractice insurance for a period greater than one year and 1076
providing in such policy that the insurer may issue a notice of 1077
cancellation of such policy at least sixty days prior to an 1078
anniversary of such policy, with the effective date of 1079
cancellation being that anniversary. 1080

The superintendent may prescribe that adequate disclosure 1081
be made to the insured when a policy is issued for a term of 1082
more than one year. 1083

(E) There is no liability on the part of, and no cause of 1084
action of any nature arises against, the superintendent, any 1085
insurer, or any person furnishing information requested by the 1086
superintendent or an insurer, or the agent, employee, attorney 1087
or other authorized representative of any such persons, for any 1088
oral or written statement made to supply information relevant to 1089
a determination on cancellation of any policy of medical 1090
malpractice insurance, or in connection with advising an insured 1091
or the insured's attorney of the grounds for a cancellation of 1092
such insurance, or in connection with any administrative or 1093
judicial proceeding arising out of or related to such 1094
cancellation. 1095

Sec. 3937.47. (A) As used in this section, "personal lines 1096
insurance" means any policy of insurance issued to a natural 1097
person for personal or family protection, including basic 1098
property, dwelling fire, homeowner's, tenant's, inland marine, 1099
personal liability, and personal umbrella liability coverage. 1100

(B) When the reason for cancellation of a personal lines insurance policy is nonpayment of premium, the effective date of cancellation shall be not less than ten days from the date the notice was mailed. 1101
1102
1103
1104

(C) An insurer may include a notice of cancellation of a personal lines insurance policy for nonpayment of premium with a billing statement. Subject to division (B) of this section, such a cancellation is effective on or after the due date of the bill. 1105
1106
1107
1108
1109

Sec. 3955.05. Sections 3955.01 to 3955.19 of the Revised Code apply to all kinds of direct insurance, except: 1110
1111

(A) Title insurance; 1112

(B) Fidelity or surety bonds, or any other bonding obligations; 1113
1114

(C) Credit insurance, vendors' single interest insurance, collateral protection insurance, or any similar insurance protecting the interests of a creditor arising out of a creditor-debtor transaction; 1115
1116
1117
1118

(D) Mortgage guaranty, financial guaranty, residual value, or other forms of insurance offering protection against investment risks; 1119
1120
1121

(E) Ocean marine insurance; 1122

(F) Any insurance provided by or guaranteed by government, including, but not limited to, any department, board, office, commission, agency, institution, or other instrumentality or entity of any branch of state government, any political subdivision of this state, the United States or any agency of the United States, or any separate or joint governmental self- 1123
1124
1125
1126
1127
1128

insurance or risk-pooling program, plan, or pool;	1129
(G) Contracts of any corporation by which health services are to be provided to its subscribers;	1130 1131
(H) Life, annuity, health, or disability insurance, including sickness and accident insurance written pursuant to Chapter 3923. of the Revised Code;	1132 1133 1134
(I) Fraternal benefit insurance;	1135
(J) Mutual protective insurance of persons or property;	1136
(K) Reciprocal or interinsurance contracts written pursuant to Chapter 3931. of the Revised Code for medical malpractice insurance if the reciprocal exchange or interinsurance exchange is not subject to the risk-based capital requirements in effect in the state of domicile of the reciprocal exchange or interinsurance exchange. As used in this division, "medical malpractice insurance" means insurance coverage against the legal liability of the insured and against loss, damage, or expense incident to a claim arising out of the death, disease, or injury of any person as the result of negligence or malpractice in rendering professional service by any licensed physician, podiatrist, or hospital, as those terms are defined in section 2305.113 of the Revised Code.	1137 1138 1139 1140 1141 1142 1143 1144 1145 1146 1147 1148 1149
(L) Any political subdivision self-insurance program or joint political subdivision self-insurance pool established under Chapter 2744. of the Revised Code;	1150 1151 1152
(M) Warranty or service contracts, or the insurance of those contracts;	1153 1154
(N) Any state university or college self-insurance program established under section 3345.202 of the Revised Code;	1155 1156

(O) Any transaction, or combination of transactions, 1157
between a person, including affiliates of such person, and an 1158
insurer, including affiliates of such insurer, that involves the 1159
transfer of investment or credit risk unaccompanied by a 1160
transfer of insurance risk; 1161

(P) Credit union share guaranty insurance issued pursuant 1162
to Chapter 1761. of the Revised Code; 1163

(Q) Insurance issued by risk retention groups as defined 1164
in Chapter 3960. of the Revised Code; 1165

(R) Workers' compensation insurance, including any 1166
contract indemnifying an employer who pays compensation directly 1167
to employees. 1168

(S) Surplus lines insurance issued under section 3905.332 1169
of the Revised Code. 1170

Sec. 3960.11. (A) No person shall act or aid in any manner 1171
in soliciting, negotiating, or procuring liability insurance in 1172
this state from a risk retention group unless the person is 1173
licensed as an insurance agent or broker in accordance with 1174
Chapter 3905. of the Revised Code. 1175

(B) No person shall act or aid in any manner in 1176
soliciting, negotiating, or procuring liability insurance in 1177
this state for a purchasing group from an authorized insurer or 1178
a risk retention group chartered in a state unless the person is 1179
licensed as an insurance agent or broker in accordance with 1180
Chapter 3905. of the Revised Code. 1181

(C) No person shall act or aid in any manner in 1182
soliciting, negotiating, or procuring liability insurance 1183
coverage in this state for any member of a purchasing group 1184
under a purchasing group's policy unless the person is licensed 1185

as an insurance agent or broker in accordance with Chapter 3905. 1186
of the Revised Code. 1187

(D) No person shall act or aid in any manner in 1188
soliciting, negotiating, or procuring liability insurance from 1189
an insurer not authorized to do business in this state, or from 1190
a domestic insurer designated as a domestic surplus lines 1191
insurer pursuant to section 3905.332 of the Revised Code, on 1192
behalf of a purchasing group located in this state unless the 1193
person is licensed as a surplus line broker in accordance with 1194
section 3905.30 of the Revised Code. 1195

Sec. 3963.02. (A) (1) No contracting entity shall sell, 1196
rent, or give a third party the contracting entity's rights to a 1197
participating provider's services pursuant to the contracting 1198
entity's health care contract with the participating provider 1199
unless one of the following applies: 1200

(a) The third party accessing the participating provider's 1201
services under the health care contract is an employer or other 1202
entity providing coverage for health care services to its 1203
employees or members, and that employer or entity has a contract 1204
with the contracting entity or its affiliate for the 1205
administration or processing of claims for payment for services 1206
provided pursuant to the health care contract with the 1207
participating provider. 1208

(b) The third party accessing the participating provider's 1209
services under the health care contract either is an affiliate 1210
or subsidiary of the contracting entity or is providing 1211
administrative services to, or receiving administrative services 1212
from, the contracting entity or an affiliate or subsidiary of 1213
the contracting entity. 1214

(c) The health care contract specifically provides that it 1215
applies to network rental arrangements and states that one 1216
purpose of the contract is selling, renting, or giving the 1217
contracting entity's rights to the services of the participating 1218
provider, including other preferred provider organizations, and 1219
the third party accessing the participating provider's services 1220
is any of the following: 1221

(i) A payer or a third-party administrator or other entity 1222
responsible for administering claims on behalf of the payer; 1223

(ii) A preferred provider organization or preferred 1224
provider network that receives access to the participating 1225
provider's services pursuant to an arrangement with the 1226
preferred provider organization or preferred provider network in 1227
a contract with the participating provider that is in compliance 1228
with division (A) (1) (c) of this section, and is required to 1229
comply with all of the terms, conditions, and affirmative 1230
obligations to which the originally contracted primary 1231
participating provider network is bound under its contract with 1232
the participating provider, including, but not limited to, 1233
obligations concerning patient steerage and the timeliness and 1234
manner of reimbursement. 1235

(iii) An entity that is engaged in the business of 1236
providing electronic claims transport between the contracting 1237
entity and the payer or third-party administrator and complies 1238
with all of the applicable terms, conditions, and affirmative 1239
obligations of the contracting entity's contract with the 1240
participating provider including, but not limited to, 1241
obligations concerning patient steerage and the timeliness and 1242
manner of reimbursement. 1243

(2) The contracting entity that sells, rents, or gives the 1244

contracting entity's rights to the participating provider's 1245
services pursuant to the contracting entity's health care 1246
contract with the participating provider as provided in division 1247
(A) (1) of this section shall do both of the following: 1248

(a) Maintain a web page that contains a listing of third 1249
parties described in divisions (A) (1) (b) and (c) of this section 1250
with whom a contracting entity contracts for the purpose of 1251
selling, renting, or giving the contracting entity's rights to 1252
the services of participating providers that is updated at least 1253
every six months and is accessible to all participating 1254
providers, or maintain a toll-free telephone number accessible 1255
to all participating providers by means of which participating 1256
providers may access the same listing of third parties; 1257

(b) Require that the third party accessing the 1258
participating provider's services through the participating 1259
provider's health care contract is obligated to comply with all 1260
of the applicable terms and conditions of the contract, 1261
including, but not limited to, the products for which the 1262
participating provider has agreed to provide services, except 1263
that a payer receiving administrative services from the 1264
contracting entity or its affiliate shall be solely responsible 1265
for payment to the participating provider. 1266

(3) Any information disclosed to a participating provider 1267
under this section shall be considered proprietary and shall not 1268
be distributed by the participating provider. 1269

(4) Except as provided in division (A) (1) of this section, 1270
no entity shall sell, rent, or give a contracting entity's 1271
rights to the participating provider's services pursuant to a 1272
health care contract. 1273

(B) (1) No contracting entity shall require, as a condition
of contracting with the contracting entity, that a participating
provider provide services for all of the products offered by the
contracting entity.

(2) Division (B) (1) of this section shall not be construed
to do any of the following:

(a) Prohibit any participating provider from voluntarily
accepting an offer by a contracting entity to provide health
care services under all of the contracting entity's products;

(b) Prohibit any contracting entity from offering any
financial incentive or other form of consideration specified in
the health care contract for a participating provider to provide
health care services under all of the contracting entity's
products;

(c) Require any contracting entity to contract with a
participating provider to provide health care services for less
than all of the contracting entity's products if the contracting
entity does not wish to do so.

(3) (a) Notwithstanding division (B) (2) of this section, no
contracting entity shall require, as a condition of contracting
with the contracting entity, that the participating provider
accept any future product offering that the contracting entity
makes.

(b) If a participating provider refuses to accept any
future product offering that the contracting entity makes, the
contracting entity may terminate the health care contract based
on the participating provider's refusal upon written notice to
the participating provider no sooner than one hundred eighty
days after the refusal.

(4) Once the contracting entity and the participating provider have signed the health care contract, it is presumed that the financial incentive or other form of consideration that is specified in the health care contract pursuant to division (B) (2) (b) of this section is the financial incentive or other form of consideration that was offered by the contracting entity to induce the participating provider to enter into the contract.

(C) No contracting entity shall require, as a condition of contracting with the contracting entity, that a participating provider waive or ~~forego~~ forgo any right or benefit expressly conferred upon a participating provider by state or federal law. However, this division does not prohibit a contracting entity from restricting a participating provider's scope of practice for the services to be provided under the contract.

(D) No health care contract shall do any of the following:

(1) Prohibit any participating provider from entering into a health care contract with any other contracting entity;

(2) Prohibit any contracting entity from entering into a health care contract with any other provider;

(3) Preclude its use or disclosure for the purpose of enforcing this chapter or other state or federal law, except that a health care contract may require that appropriate measures be taken to preserve the confidentiality of any proprietary or trade-secret information.

(E) (1) In addition to any other lawful reasons for terminating a health care contract, a health care contract may only be terminated under the circumstances described in division (A) (3) of section 3963.04 of the Revised Code.

(2) If the health care contract provides for termination

for cause by either party, the health care contract shall state 1332
the reasons that may be used for termination for cause, which 1333
terms shall be reasonable. Once the contracting entity and the 1334
participating provider have signed the health care contract, it 1335
is presumed that the reasons stated in the health care contract 1336
for termination for cause by either party are reasonable. 1337
Subject to division (E) (3) of this section, the health care 1338
contract shall state the time by which the parties must provide 1339
notice of termination for cause and to whom the parties shall 1340
give the notice. 1341

(3) Nothing in divisions (E) (1) and (2) of this section 1342
shall be construed as prohibiting any health insuring 1343
corporation from terminating a participating provider's contract 1344
for any of the causes described in divisions (A), (D), and (F) 1345
(1) and (2) of section 1753.09 of the Revised Code. 1346
Notwithstanding any provision in a health care contract pursuant 1347
to division (E) (2) of this section, section 1753.09 of the 1348
Revised Code applies to the termination of a participating 1349
provider's contract for any of the causes described in divisions 1350
(A), (D), and (F) (1) and (2) of section 1753.09 of the Revised 1351
Code. 1352

(4) Subject to sections 3963.01 to 3963.11 of the Revised 1353
Code, nothing in this section prohibits the termination of a 1354
health care contract without cause if the health care contract 1355
otherwise provides for termination without cause. 1356

(5) Nothing in division (E) of this section shall be 1357
construed to expand the regulatory authority of the 1358
superintendent to vision care providers. 1359

(F) (1) Disputes among parties to a health care contract 1360
that only concern the enforcement of the contract rights 1361

conferred by section 3963.02, divisions (A) and (D) of section 1362
3963.03, and section 3963.04 of the Revised Code are subject to 1363
a mutually agreed upon arbitration mechanism that is binding on 1364
all parties. The arbitrator may award reasonable attorney's fees 1365
and costs for arbitration relating to the enforcement of this 1366
section to the prevailing party. 1367

(2) The arbitrator shall make the arbitrator's decision in 1368
an arbitration proceeding having due regard for any applicable 1369
rules, bulletins, rulings, or decisions issued by the department 1370
of insurance or any court concerning the enforcement of the 1371
contract rights conferred by section 3963.02, divisions (A) and 1372
(D) of section 3963.03, and section 3963.04 of the Revised Code. 1373

(3) A party shall not simultaneously maintain an 1374
arbitration proceeding as described in division (F)(1) of this 1375
section and pursue a complaint with the superintendent of 1376
insurance to investigate the subject matter of the arbitration 1377
proceeding. However, if a complaint is filed with the department 1378
of insurance, the superintendent may choose to investigate the 1379
complaint or, after reviewing the complaint, advise the 1380
complainant to proceed with arbitration to resolve the 1381
complaint. The superintendent may request to receive a copy of 1382
the results of the arbitration. If the superintendent of 1383
insurance notifies an insurer or a health insuring corporation 1384
in writing that the superintendent has initiated a market 1385
conduct examination into the specific subject matter of the 1386
arbitration proceeding pending against that insurer or health 1387
insuring corporation, the arbitration proceeding shall be stayed 1388
at the request of the insurer or health insuring corporation 1389
pending the outcome of the market conduct investigation by the 1390
superintendent. 1391

<u>Sec. 3965.01. As used in this chapter:</u>	1392
<u>(A) "Assuming insurer" has the same meaning as in section 3901.61 of the Revised Code.</u>	1393 1394
<u>(B) "Authorized individual" means an individual authorized by the licensee to access nonpublic information held by the licensee and its information systems.</u>	1395 1396 1397
<u>(C) "Ceding insurer" has the same meaning as in section 3901.61 of the Revised Code.</u>	1398 1399
<u>(D) "Consumer" means an individual who is a resident of this state and whose nonpublic information is in a licensee's possession, custody, or control. "Consumer" includes an applicant, policyholder, insured, beneficiary, claimant, and certificate holder.</u>	1400 1401 1402 1403 1404
<u>(E) "Cybersecurity event" means an event resulting in unauthorized access to, disruption of, or misuse of an information system or nonpublic information stored on an information system that has a reasonable likelihood of materially harming any consumer residing in this state or any material part of the normal operations of the licensee. "Cybersecurity event" does not include the unauthorized acquisition of encrypted nonpublic information if the encryption, process, or key is not also acquired, released, or used without authorization. "Cybersecurity event" does not include an event with regard to which the licensee has determined that the nonpublic information accessed by an unauthorized person has not been used or released and has been returned or destroyed.</u>	1405 1406 1407 1408 1409 1410 1411 1412 1413 1414 1415 1416 1417 1418
<u>(F) "Encrypted" means the transformation of data into a form that results in a low probability of assigning meaning</u>	1419 1420

without the use of a protective process or key. 1421

(G) "Family" means an individual's spouse, child, stepchild, foster child, parent, stepparent, foster parent, grandparent, grandchild, sibling, half sibling, stepsibling, parent-in-law, brother-in-law, or sister-in-law. 1422
1423
1424
1425

(H) "HIPAA" means the "Health Insurance Portability and Accountability Act of 1996," Pub. L. No. 104-191, 110 Stat. 1936, as amended. 1426
1427
1428

(I) "Independent insurance agent" has the same meaning as in section 3905.49 of the Revised Code. 1429
1430

(J) "Information security program" means the administrative, technical, and physical safeguards that a licensee uses to access, collect, distribute, process, protect, store, use, transmit, dispose of, or otherwise handle nonpublic information. 1431
1432
1433
1434
1435

(K) "Information system" means a discrete set of electronic information resources organized for the collection, processing, maintenance, use, sharing, dissemination, or disposition of electronic nonpublic information, as well as any specialized system such as industrial and process controls systems, telephone switching and private branch exchange systems, and environmental control systems. 1436
1437
1438
1439
1440
1441
1442

(L) "Insurer" has the same meaning as in section 3901.32 of the Revised Code. 1443
1444

(M) "Licensee" means any person licensed, authorized to operate, or registered, or required to be licensed, authorized, or registered pursuant to the insurance laws of this state. "Licensee" includes an insurer. "Licensee" does not include a purchasing group or a risk retention group chartered and 1445
1446
1447
1448
1449

licensed in another state or a licensee that is acting as an 1450
assuming insurer that is domiciled in another state or 1451
jurisdiction. 1452

(N) "Multifactor authentication" means authentication 1453
through verification of at least two of the following types of 1454
authentication factors: 1455

(1) Knowledge factors, such as a password; 1456

(2) Possession factors, such as a token or text message on 1457
a mobile phone; 1458

(3) Inherence factors, such as a biometric characteristic. 1459

(O) "Nonpublic information" means information that is not 1460
publicly available information and is one of the following: 1461

(1) Business-related information of a licensee the 1462
tampering with, unauthorized disclosure of, access to, or use of 1463
which, would cause a material adverse impact to the business, 1464
operation, or security of the licensee; 1465

(2) Information concerning a consumer that because of the 1466
name, number, personal mark, or other identifier contained in 1467
the information can be used to identify that consumer in 1468
combination with any one or more of the following data elements: 1469

(a) Social security number; 1470

(b) Driver's license, commercial driver's license, or 1471
state identification card number; 1472

(c) Account, credit card, or debit card number; 1473

(d) Any security code, access code, or password that would 1474
permit access to the consumer's financial account; 1475

(e) Biometric records. 1476

(3) Any information or data, except age or gender, that is 1477
in any form or medium created by or derived from a health care 1478
provider or a consumer, that can be used to identify a 1479
particular consumer, and that relates to any of the following: 1480

(a) The past, present, or future physical, mental, or 1481
behavioral health or condition of the consumer or a member of 1482
the consumer's family; 1483

(b) The provision of health care to the consumer; 1484

(c) Payment for the provision of health care to the 1485
consumer. 1486

(P) "Publicly available information" means any information 1487
that a licensee has a reasonable basis to believe is lawfully 1488
made available to the general public from federal, state, or 1489
local government records; widely distributed media; or 1490
disclosures to the general public that are required to be made 1491
by federal, state, or local law. 1492

For the purposes of this chapter, a licensee has a 1493
reasonable basis to believe that information is lawfully made 1494
available to the general public if the licensee has taken steps 1495
to determine both of the following: 1496

(1) That the information is of the type that is available 1497
to the general public; 1498

(2) Whether a consumer can direct that the information not 1499
be made available to the general public and, if so, that the 1500
consumer has not done so. 1501

(Q) "Risk assessment" means the risk assessment that each 1502
licensee is required to conduct under division (C) of section 1503
3965.02 of the Revised Code. 1504

(R) "Third-party service provider" means a person other 1505
than a licensee that: 1506

(1) Contracts with a licensee to maintain, process, or 1507
store nonpublic information through its provision of services to 1508
the licensee; 1509

(2) Otherwise is permitted access to nonpublic information 1510
through its provision of services to the licensee. 1511

Sec. 3965.02. (A) Each licensee shall develop, implement, 1512
and maintain a comprehensive written information security 1513
program based on the licensee's risk assessment. The program 1514
shall be commensurate with the size and complexity of the 1515
licensee, the nature and scope of the licensee's activities 1516
including its use of third-party service providers, and the 1517
sensitivity of the nonpublic information used by the licensee or 1518
in the licensee's possession, custody, or control. 1519

(B) The information security program shall contain 1520
administrative, technical, and physical safeguards for the 1521
protection of nonpublic information and the licensee's 1522
information system and shall be designed to do all of the 1523
following: 1524

(1) Protect the security and confidentiality of nonpublic 1525
information and the security of the information system; 1526

(2) Protect against any threats or hazards to the security 1527
or integrity of nonpublic information and the information 1528
system; 1529

(3) Protect against unauthorized access to or use of 1530
nonpublic information and minimize the likelihood of harm to any 1531
consumer; 1532

(4) Define and periodically reevaluate a schedule for retention of nonpublic information and a mechanism for its destruction when no longer needed. 1533
1534
1535

(C) The licensee shall do all of the following: 1536

(1) Designate one or more persons or entities to act on behalf of the licensee and be responsible for the information security program; 1537
1538
1539

(2) Identify reasonably foreseeable internal or external threats that could result in unauthorized access, transmission, disclosure, misuse, alteration, or destruction of nonpublic information, including threats to the security of information systems and nonpublic information that are accessible to, or held by, third-party service providers; 1540
1541
1542
1543
1544
1545

(3) Assess the likelihood and potential damage of the threats described in division (C) (2) of this section, taking into consideration the sensitivity of the nonpublic information; 1546
1547
1548

(4) Assess the sufficiency of policies, procedures, information systems, and other safeguards in place to manage the threats described in division (C) (2) of this section, including consideration of such threats in each relevant area of the licensee's operations, including all of the following: 1549
1550
1551
1552
1553

(a) Employee training and management; 1554

(b) Information systems, including network and software design, as well as information classification, governance, processing, storage, transmission, and disposal; 1555
1556
1557

(c) Detecting, preventing, and responding to attacks, intrusions, or other systems failures. 1558
1559

(5) Implement information safeguards to manage the threats 1560

identified in its ongoing assessment; 1561

(6) Not less than annually, assess the effectiveness of the safeguards' key controls, systems, and procedures. 1562
1563

(D) Based on its risk assessment, the licensee shall do all of the following: 1564
1565

(1) Design its information security program to mitigate the identified risks in a way that is commensurate with the size and complexity of the licensee, the nature and scope of the licensee's activities including its use of third-party service providers, and the sensitivity of the nonpublic information used by the licensee or in the licensee's possession, custody, or control; 1566
1567
1568
1569
1570
1571
1572

(2) Determine which of the following security measures are appropriate and implement such security measures: 1573
1574

(a) Place access controls on information systems, including controls to authenticate and permit access only to authorized individuals, to protect against the unauthorized acquisition of nonpublic information; 1575
1576
1577
1578

(b) Identify and manage the data, personnel, devices, systems, and facilities that enable the organization to achieve business purposes in accordance with their relative importance to business objectives and the organization's risk strategy; 1579
1580
1581
1582

(c) Restrict access at physical locations containing nonpublic information to authorized individuals; 1583
1584

(d) Protect by encryption or other appropriate means all nonpublic information while such information is being transmitted over an external network and all nonpublic information stored on a laptop computer or other portable 1585
1586
1587
1588

<u>computing or storage device or media;</u>	1589
<u>(e) Adopt secure development practices for in-house</u>	1590
<u>developed applications utilized by the licensee and procedures</u>	1591
<u>for evaluating, assessing, or testing the security of externally</u>	1592
<u>developed applications utilized by the licensee;</u>	1593
<u>(f) Modify the information system in accordance with the</u>	1594
<u>licensee's information security program;</u>	1595
<u>(g) Utilize effective controls, which may include</u>	1596
<u>multifactor authentication procedures for accessing nonpublic</u>	1597
<u>information;</u>	1598
<u>(h) Regularly test and monitor systems and procedures to</u>	1599
<u>detect actual and attempted attacks on, or intrusions into,</u>	1600
<u>information systems;</u>	1601
<u>(i) Include audit trails within the information security</u>	1602
<u>program designed to detect and respond to cybersecurity events</u>	1603
<u>and designed to reconstruct material financial transactions</u>	1604
<u>sufficient to support normal operations and obligations of the</u>	1605
<u>licensee;</u>	1606
<u>(j) Implement measures to protect against destruction,</u>	1607
<u>loss, or damage of nonpublic information due to environmental</u>	1608
<u>hazards, such as fire and water damage or other catastrophes or</u>	1609
<u>technological failures;</u>	1610
<u>(k) Develop, implement, and maintain procedures for the</u>	1611
<u>secure disposal of nonpublic information in any format.</u>	1612
<u>(3) Include cybersecurity risks in the licensee's</u>	1613
<u>enterprise risk management process;</u>	1614
<u>(4) Stay informed regarding emerging threats or</u>	1615
<u>vulnerabilities and utilize reasonable security measures when</u>	1616

sharing information relative to the character of the sharing and 1617
the type of information shared; 1618

(5) Provide its personnel with cybersecurity awareness 1619
training that is updated as necessary to reflect risks 1620
identified by the licensee in the risk assessment. 1621

(E) If the licensee has a board of directors, the board or 1622
an appropriate committee of the board shall, at a minimum, do 1623
all of the following: 1624

(1) Require the licensee's executive management or its 1625
delegates to develop, implement, and maintain the licensee's 1626
information security program; 1627

(2) Require the licensee's executive management or its 1628
delegates to report in writing at least annually, all of the 1629
following information: 1630

(a) The overall status of the information security program 1631
and the licensee's compliance with this chapter; 1632

(b) Material matters related to the information security 1633
program, addressing issues such as risk assessment, risk 1634
management and control decisions, third-party service provider 1635
arrangements, results of testing, cybersecurity events or 1636
violations and management's responses thereto, and 1637
recommendations for changes in the information security program. 1638

(3) If executive management delegates any of its 1639
responsibilities under this section, it shall oversee the 1640
development, implementation, and maintenance of the licensee's 1641
information security program prepared by the delegates and shall 1642
require the delegates to submit a report that complies with the 1643
requirements of division (E)(2) of this section. 1644

(F) (1) A licensee shall exercise due diligence in selecting its third-party service provider. 1645
1646

(2) A licensee shall require a third-party service provider to implement appropriate administrative, technical, and physical measures to protect and secure the information systems and nonpublic information that are accessible to, or held by, the third-party service provider. 1647
1648
1649
1650
1651

(G) The licensee shall monitor, evaluate, and adjust, as appropriate, the information security program consistent with all of the following: 1652
1653
1654

(1) Any relevant changes in technology; 1655

(2) The sensitivity of its nonpublic information; 1656

(3) Internal or external threats to information; 1657

(4) The licensee's own changing business arrangements, such as mergers and acquisitions, alliances and joint ventures, outsourcing arrangements, and changes to information systems. 1658
1659
1660

(H) (1) As part of its information security program, each licensee shall establish a written incident response plan designed to promptly respond to, and recover from, any cybersecurity event that compromises the confidentiality, integrity, or availability of nonpublic information in its possession, the licensee's information systems, or the continuing functionality of any aspect of the licensee's business or operations. 1661
1662
1663
1664
1665
1666
1667
1668

(2) The incident response plan described in division (H) (1) of this section shall address all of the following areas: 1669
1670

(a) The internal process for responding to a cybersecurity event; 1671
1672

<u>(b) The goals of the incident response plan;</u>	1673
<u>(c) The definition of clear roles, responsibilities, and levels of decision-making authority;</u>	1674
<u>(d) External and internal communications and information sharing;</u>	1676
<u>(e) Identification of requirements for the remediation of any identified weaknesses in information systems and associated controls;</u>	1677
<u>(f) Documentation and reporting regarding cybersecurity events and related incident response activities;</u>	1678
<u>(g) The evaluation and revision as necessary of the incident response plan following a cybersecurity event.</u>	1679
<u>(I) (1) By the fifteenth day of February of each year, unless otherwise permitted to file on the first day of June in division (I) (2) of this section, each insurer domiciled in this state shall submit to the superintendent of insurance a written statement certifying that the insurer is in compliance with the requirements set forth in this section. Each insurer shall maintain for examination by the department of insurance all records, schedules, and data supporting this certificate for a period of five years. To the extent an insurer has identified areas, systems, or processes that require material improvement, updating, or redesign, the insurer shall document the identification and the remedial efforts planned and underway to address such areas, systems, or processes. Such documentation must be available for inspection by the superintendent.</u>	1680
<u>(2) Notwithstanding division (I) (1) of this section, an insurer domiciled in this state and licensed exclusively to conduct business in this state and no other state shall be</u>	1681
	1682
	1683
	1684
	1685
	1686
	1687
	1688
	1689
	1690
	1691
	1692
	1693
	1694
	1695
	1696
	1697
	1698
	1699
	1700
	1701

permitted to submit to the superintendent of insurance a written 1702
statement certifying that the insurer is in compliance with the 1703
requirements set forth in this section as part of the insurer's 1704
corporate governance annual disclosure required by section 1705
3901.073 of the Revised Code. 1706

(J) A licensee that meets the requirements of this chapter 1707
shall be deemed to have implemented a cybersecurity program that 1708
reasonably conforms to an industry-recognized cybersecurity 1709
framework for the purposes of Chapter 1354. of the Revised Code. 1710

Sec. 3965.03. (A) If a licensee learns that a 1711
cybersecurity event has or may have occurred, the licensee or an 1712
outside vendor or service provider designated to act on behalf 1713
of the licensee shall conduct a prompt investigation. 1714

(B) During the investigation, the licensee or an outside 1715
vendor or service provider designated to act on behalf of the 1716
licensee shall, at a minimum, do as much of the following as 1717
possible: 1718

(1) Determine whether a cybersecurity event has occurred; 1719

(2) Assess the nature and scope of the cybersecurity 1720
event; 1721

(3) Identify any nonpublic information that may have been 1722
involved in the cybersecurity event; 1723

(4) Perform or oversee reasonable measures to restore the 1724
security of the information systems compromised in the 1725
cybersecurity event in order to prevent further unauthorized 1726
acquisition, release, or use of nonpublic information in the 1727
licensee's possession, custody, or control. 1728

(C) If the licensee learns that a cybersecurity event has 1729

or may have occurred in a system maintained by a third-party 1730
service provider, the licensee shall take the actions described 1731
in division (B) of this section or make reasonable efforts to 1732
confirm and document that the third-party service provider has 1733
taken those actions. 1734

(D) The licensee shall maintain records concerning all 1735
cybersecurity events for a period of at least five years from 1736
the date of the cybersecurity event and shall produce those 1737
records upon demand of the superintendent of insurance. 1738

Sec. 3965.04. (A) Each licensee shall notify the 1739
superintendent of insurance as promptly as possible after a 1740
determination that a cybersecurity event involving nonpublic 1741
information in the possession of the licensee has occurred, but 1742
in no event later than three business days after that 1743
determination, when either of the following criteria has been 1744
met: 1745

(1) Both of the following apply: 1746

(a) This state is the licensee's state of domicile, in the 1747
case of an insurer, or this state is the licensee's home state, 1748
in the case of an independent insurance agent. 1749

(b) The cybersecurity event has a reasonable likelihood of 1750
materially harming a consumer or a material part of the normal 1751
operations of the licensee. 1752

(2) The licensee reasonably believes that the nonpublic 1753
information involved relates to two hundred fifty or more 1754
consumers residing in this state and the cybersecurity event is 1755
either of the following: 1756

(a) A cybersecurity event impacting the licensee of which 1757
notice is required to be provided to any government body, self- 1758

regulatory agency, or any other supervisory body pursuant to any 1759
state or federal law; 1760

(b) A cybersecurity event that has a reasonable likelihood 1761
of materially harming either of the following: 1762

(i) Any consumer residing in this state; 1763

(ii) Any material part of the normal operations of the 1764
licensee. 1765

(B) (1) In providing the notification described in division 1766
(A) of this section, the licensee shall provide as much of the 1767
following information as possible: 1768

(a) The date of the cybersecurity event; 1769

(b) A description of how the information was exposed, 1770
lost, stolen, or breached, including the specific roles and 1771
responsibilities of any third-party service providers; 1772

(c) How the cybersecurity event was discovered; 1773

(d) Whether any lost, stolen, or breached information has 1774
been recovered and if so, how this was done; 1775

(e) The identity of the source of the cybersecurity event; 1776

(f) Whether the licensee has filed a police report or has 1777
notified any regulatory, government, or law enforcement agencies 1778
and, if so, when such notification was provided; 1779

(g) A description of the specific types of information 1780
acquired without authorization. "Specific types of information" 1781
means particular data elements, including types of medical 1782
information, types of financial information, or types of 1783
information allowing identification of the consumer. 1784

(h) The period during which the information system was 1785

compromised by the cybersecurity event; 1786

(i) The number of total consumers in this state affected 1787
by the cybersecurity event. The licensee shall provide the best 1788
estimate in the initial report to the superintendent and update 1789
this estimate with each subsequent report to the superintendent 1790
pursuant to this section. 1791

(j) The results of any internal review identifying a lapse 1792
in either automated controls or internal procedures, or 1793
confirming that all automated controls or internal procedures 1794
were followed; 1795

(k) A description of efforts being undertaken to remediate 1796
the situation that permitted the cybersecurity event to occur; 1797

(l) A copy of the licensee's privacy policy and a 1798
statement outlining the steps the licensee will take to 1799
investigate and notify consumers affected by the cybersecurity 1800
event; 1801

(m) The name of a contact person who is both familiar with 1802
the cybersecurity event and authorized to act for the licensee. 1803

(2) The licensee shall provide the information in 1804
electronic form as directed by the superintendent. The licensee 1805
shall have a continuing obligation to update and supplement 1806
initial and subsequent notifications to the superintendent 1807
regarding material developments relating to the cybersecurity 1808
event. 1809

(C) A licensee shall comply with section 1349.19 of the 1810
Revised Code as applicable and provide a copy of the notice sent 1811
to consumers under that section to the superintendent, when the 1812
licensee is required to notify the superintendent under division 1813
(A) of this section. 1814

(D) (1) If a licensee becomes aware of a cybersecurity event in a system maintained by a third-party service provider, the licensee shall treat the event as it would under division (A) of this section. 1815
1816
1817
1818

(2) The computation of the licensee's deadlines specified in this section shall begin on the day after the third-party service provider notifies the licensee of the cybersecurity event or the licensee otherwise has actual knowledge of the cybersecurity event, whichever is sooner. 1819
1820
1821
1822
1823

(3) Nothing in this chapter shall prevent or abrogate an agreement between a licensee and another licensee, a third-party service provider, or any other party to fulfill any of the investigation requirements imposed under section 3965.03 of the Revised Code or notice requirements imposed under this section. 1824
1825
1826
1827
1828

(E) (1) In the case of a cybersecurity event involving nonpublic information that is used by or in the possession, custody, or control of a licensee that is acting as an assuming insurer, including an assuming insurer that is domiciled in another state or jurisdiction, and that does not have a direct contractual relationship with the affected consumers, both of the following apply: 1829
1830
1831
1832
1833
1834
1835

(a) The assuming insurer shall notify its affected ceding insurers and the insurance commissioner of its state or jurisdiction of domicile within three business days of making the determination that a cybersecurity event has occurred. 1836
1837
1838
1839

(b) The ceding insurers that have a direct contractual relationship with affected consumers shall fulfill the consumer notification requirements imposed under section 1349.19 of the Revised Code and any other notification requirements relating to 1840
1841
1842
1843

a cybersecurity event imposed under this section. 1844

(2) In the case of a cybersecurity event involving 1845
nonpublic information that is in the possession, custody, or 1846
control of a licensee's third-party service provider, when the 1847
licensee is acting as an assuming insurer, including an assuming 1848
insurer that is domiciled in another state or jurisdiction, both 1849
of the following apply: 1850

(a) The assuming insurer shall notify its affected ceding 1851
insurers and the insurance commissioner of its state or 1852
jurisdiction of domicile within three business days of receiving 1853
notice from its third-party service provider that a 1854
cybersecurity event has occurred. 1855

(b) The ceding insurers that have a direct contractual 1856
relationship with affected consumers shall fulfill the consumer 1857
notification requirements imposed under section 1349.19 of the 1858
Revised Code and any other notification requirements relating to 1859
a cybersecurity event imposed under this section. 1860

(3) Any licensee acting as an assuming insurer shall have 1861
no other notice obligations relating to a cybersecurity event or 1862
other data breach under division (A) of this section. 1863

(F) In the case of a cybersecurity event involving 1864
nonpublic information that is in the possession, custody, or 1865
control of a licensee that is an insurer or its third-party 1866
service provider, that was obtained by the insurer from a 1867
consumer accessing the insurer's services through an independent 1868
insurance agent, and for which disclosure or notice is required 1869
under section 1349.19 of the Revised Code, the insurer shall 1870
notify the independent insurance agents of record of all 1871
affected consumers. 1872

The insurer is excused from this obligation for any independent insurance agents who are not authorized by law or contract to sell, solicit, or negotiate on behalf of the insurer, and for those instances in which the insurer does not have the current independent insurance agent of record information for an individual consumer. 1873
1874
1875
1876
1877
1878

Sec. 3965.05. (A) The superintendent of insurance shall have power to examine and investigate into the affairs of any licensee to determine whether the licensee has been or is engaged in any conduct in violation of this chapter. This power is in addition to the powers that the superintendent has under Title XXXIX and Chapters 1739. and 1751. of the Revised Code. 1879
1880
1881
1882
1883
1884

(B) Whenever the superintendent has reason to believe that a licensee has been or is engaged in conduct in this state that violates this chapter, the superintendent may take any necessary or appropriate action to enforce the provisions of this chapter. 1885
1886
1887
1888

Sec. 3965.06. (A) (1) Any documents, materials, or other information in the control or possession of the department of insurance that are furnished pursuant to divisions (H) (1) and (I) of section 3965.02 and divisions (B) (1) (b), (c), (d), (e), (h), (j), and (k) of section 3965.04 of the Revised Code, or that are obtained by, created by, or disclosed to the superintendent of insurance in an investigation or examination pursuant to section 3965.05 of the Revised Code: 1889
1890
1891
1892
1893
1894
1895
1896

(a) Shall be confidential by law and privileged; 1897

(b) Are not public records for the purposes of section 149.43 of the Revised Code and shall not be released; 1898
1899

(c) Shall not be subject to subpoena; 1900

(d) Shall not be subject to discovery or admissible in 1901

evidence in any private civil action. 1902

(2) Notwithstanding division (A) (1) of this section, the 1903
superintendent may use the documents, materials, or other 1904
information described in division (A) of this section in 1905
furtherance of any regulatory or legal action brought as a part 1906
of the superintendent's duties. 1907

(B) Neither the superintendent nor any person who received 1908
documents, materials, or other information described in division 1909
(A) of this section while acting under the authority of the 1910
superintendent shall be permitted or required to testify in any 1911
private civil action concerning any documents, materials, or 1912
information subject to division (A) of this section. 1913

(C) In order to assist in the performance of the 1914
superintendent's duties under this chapter, the superintendent 1915
may do any of the following: 1916

(1) Notwithstanding division (A) of this section, share 1917
documents, materials, or other information, including those 1918
subject to division (A) of this section, with all of the 1919
following if the recipient agrees in writing to maintain the 1920
confidentiality and privileged status of the document, material, 1921
or other information: 1922

(a) Other state, federal, and international regulatory 1923
agencies; 1924

(b) The national association of insurance commissioners 1925
and its affiliates and subsidiaries; 1926

(c) State, federal, and international law enforcement 1927
authorities. 1928

(2) Receive documents, materials, or information, 1929

including otherwise confidential and privileged documents, 1930
materials, or information, from the national association of 1931
insurance commissioners and its affiliates and subsidiaries, and 1932
from regulatory and law enforcement officials of other foreign 1933
or domestic jurisdictions. The superintendent shall maintain as 1934
confidential or privileged any document, material, or 1935
information received with notice or the understanding that it is 1936
confidential or privileged under the laws of the jurisdiction 1937
that is the source of the document, material, or information. 1938

(3) Share documents, materials, or other information 1939
subject to division (A) of this section with a third-party 1940
consultant or vendor if the consultant or vendor agrees in 1941
writing to maintain the confidentiality and privileged status of 1942
the document, material, or other information; 1943

(4) Enter into agreements governing sharing and use of 1944
information consistent with this section. 1945

(D) No waiver of any applicable privilege or claim of 1946
confidentiality in the documents, materials, or information 1947
shall occur as a result of disclosure to the superintendent 1948
under this section or as a result of sharing as authorized in 1949
division (C) of this section. 1950

(E) Nothing in this chapter shall prohibit the 1951
superintendent from releasing decisions related to final, 1952
adjudicated actions that are open to public inspection pursuant 1953
to section 149.43 of the Revised Code to a database or other 1954
clearinghouse service maintained by the national association of 1955
insurance commissioners or its affiliates or subsidiaries. 1956

(F) Any documents, materials, or other information 1957
described in division (A) of this section that are in the 1958

<u>possession or control of the national association of insurance</u>	1959
<u>commissioners, or any vendor, third-party consultant to the</u>	1960
<u>national association of insurance commissioners, or a third-</u>	1961
<u>party service provider:</u>	1962
<u>(1) Shall be confidential by law and privileged;</u>	1963
<u>(2) Are not public records for the purposes of section</u>	1964
<u>149.43 of the Revised Code and shall not be released;</u>	1965
<u>(3) Shall not be subject to subpoena;</u>	1966
<u>(4) Shall not be subject to discovery or admissible in</u>	1967
<u>evidence in any private civil action.</u>	1968
<u>Sec. 3965.07. (A) A licensee is exempt from the</u>	1969
<u>requirements of section 3965.02 of the Revised Code if it meets</u>	1970
<u>any of the following criteria:</u>	1971
<u>(1) The licensee has fewer than twenty employees.</u>	1972
<u>(2) The licensee has less than five million dollars in</u>	1973
<u>gross annual revenue.</u>	1974
<u>(3) The licensee has less than ten million dollars in</u>	1975
<u>assets, measured at the end of the licensee's fiscal year.</u>	1976
<u>(B) (1) A licensee subject to and in compliance with the</u>	1977
<u>privacy and security rules of 45 C.F.R. Parts 160 and 164 shall</u>	1978
<u>be deemed to meet the requirements of this chapter, except those</u>	1979
<u>pertaining to notification under section 3965.04 of the Revised</u>	1980
<u>Code. The licensee shall submit a written statement to the</u>	1981
<u>superintendent certifying its compliance with 45 C.F.R. Parts</u>	1982
<u>160 and 164. The information furnished by a licensee pursuant to</u>	1983
<u>section 3965.04 of the Revised Code shall be confidential in</u>	1984
<u>accordance with section 3965.06 of the Revised Code.</u>	1985

Each licensee shall maintain for examination by the 1986
superintendent all records, schedules, and data supporting the 1987
certificate of compliance for a period of five years. To the 1988
extent an insurer has identified areas, systems, or processes 1989
that require material improvement, updating, or redesign, the 1990
insurer shall document the identification and the remedial 1991
efforts planned and underway to address such areas, systems, or 1992
processes. Such documentation shall be available for inspection 1993
by the department. 1994

(2) Notwithstanding any other provision of this chapter, a 1995
licensee subject to HIPAA shall comply with the requirements of 1996
any subsequent amendments to HIPAA in the timeframe established 1997
in the applicable amendments to HIPAA. 1998

(C) An employee, agent, representative, independent 1999
contractor, or designee of a licensee, who is also a licensee, 2000
is exempt from section 3965.02 of the Revised Code and need not 2001
develop its own information security program to the extent that 2002
the employee, agent, representative, independent contractor, or 2003
designee is covered by the information security program of the 2004
other licensee. 2005

(D) If a licensee ceases to qualify for an exemption, the 2006
licensee shall have one hundred eighty days after the date it 2007
ceases to qualify to comply with this chapter. 2008

Sec. 3965.08. (A) A licensee that satisfies the provisions 2009
of this chapter shall be entitled to an affirmative defense to 2010
any cause of action sounding in tort that is brought under the 2011
laws of this state or in the courts of this state and that 2012
alleges that the failure to implement reasonable information 2013
security controls resulted in a data breach concerning nonpublic 2014
information. 2015

(B) The affirmative defenses permitted under this section shall not limit any other affirmative defenses available to a licensee. 2016
2017
2018

Sec. 3965.09. Notwithstanding any other provision of law, the provisions of this chapter and any rules adopted pursuant to this chapter constitute the exclusive state standards and requirements applicable to licensees regarding cybersecurity events, the security of nonpublic information, data security, investigation of cybersecurity events, and notification to the superintendent of cybersecurity events. 2019
2020
2021
2022
2023
2024
2025

Sec. 3965.10. The superintendent of insurance, pursuant to Chapter 119. of the Revised Code, may adopt rules as necessary to carry out the provisions of this chapter. 2026
2027
2028

Sec. 3965.11. The superintendent of insurance shall consider the nature, scale, and complexity of licensees in administering this chapter and adopting rules pursuant to this chapter. 2029
2030
2031
2032

Sec. 5321.17. (A) Except as provided in division (C) of this section, the landlord or the tenant may terminate or fail to renew a week-to-week tenancy by notice given the other at least seven days prior to the termination date specified in the notice. 2033
2034
2035
2036
2037

(B) Except as provided in division (C) of this section, the landlord or the tenant may terminate or fail to renew a month-to-month tenancy by notice given the other at least thirty days prior to the periodic rental date. 2038
2039
2040
2041

(C) (1) If a tenant violates division (A) (9) of section 5321.05 of the Revised Code and if the landlord has actual knowledge of or has reasonable cause to believe that the tenant, 2042
2043
2044

any person in the tenant's household, or any person on the 2045
residential premises with the consent of the tenant previously 2046
has or presently is engaged in a violation as described in 2047
division (A) (6) (a) (i) of section 1923.02 of the Revised Code, 2048
the landlord shall terminate the week-to-week tenancy, month-to- 2049
month tenancy, or other rental agreement with the tenant by 2050
giving a notice of termination to the tenant in accordance with 2051
this division. The notice shall specify that the tenancy or 2052
other rental agreement is terminated three days after the giving 2053
of the notice, and the landlord may give the notice whether or 2054
not the tenant or other person has been charged with, has 2055
pleaded guilty to or been convicted of, or has been determined 2056
to be a delinquent child for an act that, if committed by an 2057
adult, would be a violation as described in division (A) (6) (a) 2058
(i) of section 1923.02 of the Revised Code. If the tenant fails 2059
to vacate the premises within three days after the giving of 2060
that notice, then the landlord promptly shall comply with 2061
division (A) (9) of section 5321.04 of the Revised Code. For 2062
purposes of this division, actual knowledge or reasonable cause 2063
to believe as described in this division shall be determined in 2064
accordance with division (A) (6) (a) (i) of section 1923.02 of the 2065
Revised Code. 2066

(2) The three-day period described in division (C) (1) of 2067
this section shall begin on the day immediately following the 2068
day the notice is delivered and, notwithstanding section 1.14 of 2069
the Revised Code, shall count all intervening days including 2070
Saturdays, Sundays, and legal holidays. 2071

(D) This section does not apply to a termination based on 2072
the breach of a condition of a rental agreement or the breach of 2073
a duty and obligation imposed by law, except that it does apply 2074
to a breach of the obligation imposed upon a tenant by division 2075

(A) (9) of section 5321.05 of the Revised Code. 2076

Section 2. That existing sections 1317.04, 1317.05, 2077
1923.04, 1923.14, 3905.30, 3905.33, 3905.423, 3905.426, 3937.25, 2078
3937.28, 3955.05, 3960.11, 3963.02, and 5321.17 and section 2079
3905.425 of the Revised Code are hereby repealed. 2080

Section 3. Licensees, as defined in section 3965.01 of the 2081
Revised Code as enacted in this act, shall have two years from 2082
the effective date of this act to implement division (F) of 2083
section 3965.02 of the Revised Code and one year from the 2084
effective date of this act to implement all other divisions of 2085
that section. 2086

Section 4. Chapter 3965. of the Revised Code is intended 2087
to enact an industry-recognized cybersecurity framework for the 2088
purposes of Chapter 1354. of the Revised Code. 2089