

**As Introduced**

**131st General Assembly**

**Regular Session**

**2015-2016**

**H. B. No. 259**

**Representatives Ryan, Sears**

**Cosponsors: Representatives Henne, Blessing, Hill, Duffey, Bishoff, Brenner,  
Smith, K.**

---

**A BILL**

To enact sections 3938.01, 3938.02, 3938.03, 1  
3938.04, 3938.05, 3938.06, 3938.07, 3938.08, and 2  
3938.09 of the Revised Code to regulate 3  
certificates of insurance prepared or issued to 4  
verify the purchase of property or casualty 5  
insurance coverage. 6

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

**Section 1.** That sections 3938.01, 3938.02, 3938.03, 7  
3938.04, 3938.05, 3938.06, 3938.07, 3938.08, and 3938.09 of the 8  
Revised Code be enacted to read as follows: 9

**Sec. 3938.01.** (A) This chapter may be cited as the 10  
"Certificates of Insurance Act." 11

(B) As used in this chapter: 12

(1) "Certificate of insurance" means a document or 13  
instrument, regardless of how titled or described, that is 14  
prepared or issued by an insurer or insurance agent licensed 15  
under Chapter 3905. of the Revised Code to verify the purchase 16  
of property or casualty insurance coverage. "Certificate of 17

insurance" includes a document issued to a person as 18  
verification of purchasing coverage under a master policy. 19  
"Certificate of insurance" does not include a policy of 20  
insurance, insurance binder, policy endorsement, or automobile 21  
identification card, or any document used to provide proof of 22  
financial responsibility for purposes of Chapter 4509. of the 23  
Revised Code. 24

(2) "Certificate holder" means any person, other than a 25  
policyholder, that requests, obtains, or possesses a certificate 26  
of insurance. 27

(3) "Person" has the same meaning as in section 1.59 of 28  
the Revised Code and includes a limited liability company, the 29  
state, and all political subdivisions, authorities, agencies, 30  
boards, and commissions of the state. 31

**Sec. 3938.02.** A certificate of insurance is not a policy 32  
of insurance and does not affirmatively or negatively amend, 33  
extend, or alter the coverage afforded by the policy to which 34  
the certificate of insurance refers. A certificate of insurance 35  
shall not confer to any person new or additional rights beyond 36  
what the referenced policy of insurance expressly provides. 37

**Sec. 3938.03.** (A) A certificate of insurance shall not 38  
include language that does either of the following: 39

(1) Is unfair, misleading, or deceptive or that violates 40  
public policy; 41

(2) Violates any law or any rule adopted by the 42  
superintendent of insurance. 43

(B) A certificate of insurance shall not guarantee that 44  
the policy of insurance referenced in the certificate complies 45  
with the requirements for a policy of property or casualty 46

insurance under Title XXXIX of the Revised Code. The inclusion 47  
of a contract number or policy description in a certificate of 48  
insurance is not proof of such a guarantee. 49

**Sec. 3938.04.** No person shall do either of the following: 50

(A) Prepare, issue, request, or require a certificate of 51  
insurance that contains any false or misleading information 52  
concerning the policy of insurance referenced in the certificate 53  
of insurance; 54

(B) Prepare, issue, request, or require a certificate of 55  
insurance that affirmatively or negatively alters, amends, or 56  
extends the coverage provided by the policy of insurance 57  
referenced in the certificate of insurance. 58

**Sec. 3938.05.** A certificate holder shall be entitled to 59  
notice of cancellation or nonrenewal or any similar notice 60  
concerning a policy of insurance only if the certificate holder 61  
is named within the policy or any endorsement to the policy and 62  
the policy or endorsement requires notice to be provided to the 63  
certificate holder. The terms and conditions of the notice, 64  
including the required timing of the notice, are governed by the 65  
policy of insurance and cannot be altered by a certificate of 66  
insurance. 67

**Sec. 3938.06.** The provisions of this chapter shall apply 68  
to all certificates of insurance issued in connection with 69  
property and casualty risks located in this state, regardless of 70  
where the policyholder, insurer, insurance agent, or person 71  
requesting the certificate of insurance is located. 72

**Sec. 3938.07.** A certificate of insurance that is issued in 73  
violation of this chapter shall be void. 74

**Sec. 3938.08.** (A) No person shall fail to comply with 75

sections 3938.01 to 3938.07 of the Revised Code. If the 76  
superintendent of insurance determines that any person has 77  
violated sections 3938.01 to 3938.07 of the Revised Code, the 78  
superintendent may take one or more of the following actions: 79

(1) Issue an order requiring the person to cease and 80  
desist from the actions constituting the violation; 81

(2) Assess a civil penalty not to exceed one thousand 82  
dollars per violation. 83

(B) The superintendent may investigate the activities of 84  
any person the superintendent reasonably believes has engaged in 85  
or is engaging in an act or practice prohibited by this chapter. 86

(C) Before imposing a penalty under division (A) of this 87  
section, the superintendent shall give the person notice and 88  
opportunity for a hearing as described in Chapter 119. of the 89  
Revised Code. 90

(D) The superintendent shall deposit any penalties 91  
assessed under division (A) of this section into the state 92  
treasury to the credit of the department of insurance operating 93  
fund created in section 3901.021 of the Revised Code. 94

**Sec. 3938.09.** The superintendent of insurance may adopt 95  
rules in accordance with Chapter 119. of the Revised Code as 96  
necessary to implement this chapter. 97