

Our mission

To act as the Ohio property and
casualty insurance industry's voice
on matters affecting or involving the industry.

Ohio Insurance Institute

172 E. State St., Suite 201
Columbus, OH 43215
P: 614.228.1593
F: 614.228.1678
ohioinsurance.org

Proponent Testimony—SB 157 Statutes of Limitations (Lang)

Michael D. Farley, Esq., Vice President, Government Affairs and General Counsel

Chair Manning, Vice Chair Reynolds, Ranking Member Hicks-Hudson, and members of the Senate Judiciary Committee, thank you for the opportunity to testify in support of Senate Bill 157.

I am Michael Farley, and I have the distinct honor to serve as the Vice President, Government Affairs and General Counsel for the Ohio Insurance Institute (“OII”). The OII is a trade and information association of more than 55 Ohio-based property and casualty insurance companies and related affiliate organizations. OII members write approximately 90% of auto insurance in Ohio and 81% of home insurance. And OII members write more than three-quarters of the commercial insurance in the state.

Senate Bill 157 is intended to provide Ohio businesses with the certainty and predictability needed to flourish. Reducing the statute of limitations on written and verbal contracts is not a novel concept. In fact, throughout the course of the past thirteen years, the General Assembly has reduced the statutes of limitations on two occasions, first in 2012 and then again in 2021. Prior to these efforts, Ohio’s statute of limitations on written contracts was fifteen years.

Today, after the 2012 and 2021 reductions, Ohio’s statutes of limitations stand at six years for written contracts and four years for verbal contracts. The OII supports the continued reduction of these statutes of limitations via Senate Bill 157 to three years for written contracts and two years for verbal contracts.

The OII applauds Senator Lang’s continued leadership in this arena, as he too shepherded the prior reduction through the General Assembly in 2021. That legislation – Senate Bill 13 – received unanimous support in both chambers. We are aware of no negative impacts from that reduction. However, we have continued to see efforts by competitor states to reduce statutes of limitations – a reflection of their important role underpinning the civil justice climate and, ultimately, economic competitiveness within our region.

It is timely to note that the Ohio Tenth District Court of Appeals here in Franklin County very recently issued a unanimous decision upholding the application of the limitation on the statute of limitations on written contracts in *Chaganti v. Cincinnati Insurance Company*. The decision addressed the reductions made by both the 2012 and 2021 bills. The Tenth District continued to adhere to long-standing precedent that statutes of limitations are remedial—not substantive. This allows the General Assembly to reduce the statute of limitations without running afoul of Article II, Section 28 of the Ohio Constitution, the Retroactivity Clause.



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Mr. Chairman, thank you again for the opportunity to testify here today. The OII believes that Senate Bill 157 will build upon the General Assembly's ongoing efforts to create a stable and predictable civil justice climate. I'm happy to answer any questions the committee may have.