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Bill Analysis

Version: As Introduced

Primary Sponsors: Reps. Lorenz and Brennan

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SUMMARY

- Expands insurance nonrenewal notification requirements to cover a personal lines policy of homeowners insurance.
- Increases the nonrenewal-notification deadline from 30 days prior to policy expiration to 60 days.
- Requires nonrenewal notifications for policies of personal homeowners insurance to either provide an explanation for the nonrenewal, or provide a notification stating that such an explanation is available upon request.
- Allows the nonrenewal notification to be sent in writing using electronic means if the insured consents to such delivery.
- Modifies the current law provision that requires continuing insurance coverage when the insurer does not comply with the nonrenewal notification requirements to account for the bill's nonrenewal notification deadline increase to 60 days prior to policy expiration.
- Specifies that a personal lines policy of homeowners insurance generally expires on the expiration date stated in the policy and notice of nonrenewal upon the insurer's compliance with the bill's requirements.
- Specifies that the bill's requirements apply six months after the bill's effective date.

DETAILED ANALYSIS

Overview

The bill amends the law related to nonrenewal notifications for insurance policies. Current law specifies that certain insurers may refuse to renew a policy of insurance only if notification is provided beforehand. This requirement applies only to the following types of insurance under current law:

- Commercial property insurance;
- Commercial fire insurance;
- Commercial casualty insurance (excluding fidelity or surety bonds);
- Medical malpractice insurance;
- Automobile insurance.¹

Nonrenewal notification expansion

Under the bill, the nonrenewal notification requirement also applies to a personal lines policy of homeowners insurance, which includes coverage for tenants or condominium owners or owner-occupied fire or dwelling property coverage.²

Nonrenewal notification deadline

Under current law, the nonrenewal notification must be mailed to the insured at the insured's last known address, as well as the insured's agent, and must be sent at least 30 days prior to the expiration date of the policy. The bill increases the nonrenewal notification deadline to at least 60 days prior to the expiration date of the policy. Also, in addition to the insured and the insured's agent, the notification may be sent to the insured's agent of record, when applicable.³

Notice contents

Continuing law, maintained by the bill, requires the notice to contain all of the following:

- The policy number in question;
- The date of the notice;
- The expiration date of the policy.⁴

The bill adds that, for a personal lines policy of homeowners insurance, the notice must also contain either of the following:

- An explanation of the reason for nonrenewal and the information upon which the nonrenewal is based;
- A statement that such an explanation will be provided to the insured in writing within five days of the insurer receiving a written request for such an explanation from the insured.⁵

¹ R.C. 3937.26(A)(1).

² R.C. 3937.261(A)(1).

³ R.C. 3937.26(A)(1) and 3937.261(A)(1) and (B)(1).

⁴ R.C. 3937.26(A)(4).

⁵ R.C. 3937.261(C).

Notification delivery

The bill removes the requirement that nonrenewal notifications be sent by mail and instead specifies that it must be a written notice. If the insured has agreed to receive communications from the insurer via electronic means, the written notice may be sent via electronic means. If the insured has not agreed to receive communication via electronic means, the written notice must be sent via mail to the insured's and the agent's last known address.⁶

Continuing insurance coverage for noncompliance

Continuing law, modified in part by the bill, also specifies that if the notice is not mailed in accordance with the 30-day nonrenewal-notification deadline, the insured's coverage remains in effect for 30 days after the date of the mailing notice (unless the insured accepts the nonrenewal as stated in writing). In such situations, the insurer must pro-rate the related premium and notify the insured of the amount owed. The bill maintains a similar requirement, but specifies that, if the 60-day nonrenewal notification deadline is not met, such a policy would remain in effect for 60 days after the date of the notice being sent.

For a notice of nonrenewal for a policy of commercial property insurance, commercial fire insurance, or commercial casualty insurance other than fidelity or surety bonds, medical malpractice insurance, and automobile insurance, the bill also adds that an insured's agent or agent of record may accept the nonrenewal as stated.⁷

Expiration of personal lines policy of homeowners insurance

The bill specifies that, subject to the provisions that require insurance coverage to continue due to not satisfying the bill's 60-day nonrenewal notification requirements, upon an insurer's compliance with all requirements described in the bill, a personal lines policy of homeowners insurance expires on the expiration date stated in the policy and notice of nonrenewal.⁸

Effective date

The bill's requirements would apply starting six months after the bill's effective date.⁹

⁶ R.C. 3937.26(A)(1) to (3) and 3937.261(A)(1) to (3).

⁷ R.C. 3937.26(B) and 3937.261(B).

⁸ R.C. 3937.261(D).

⁹ Section 3.

HISTORY

Action	Date
Introduced	01-20-26
