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# OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research  
and Drafting

Legislative Budget  
Office

**H.B. 652**  
**136<sup>th</sup> General Assembly**

## **Fiscal Note & Local Impact Statement**

[Click here for H.B. 652's Bill Analysis](#)

**Version:** As Introduced

**Primary Sponsors:** Reps. Lorenz and Brennan

**Local Impact Statement Procedure Required:** No

Francis Bediako, Economist

### **Highlights**

- The bill has no direct fiscal effect on local governments, as it regulates private insurance market practices and does not impose new duties or costs on public entities.

### **Detailed Analysis**

#### **Commercial insurance nonrenewal**

The bill increases the minimum notice period for nonrenewal of commercial property, commercial fire, and commercial casualty insurance policies from 30 days to 60 days. The bill requires insurers to send written notice of nonrenewal to both the insured and the insured's agent or agent of record. The bill permits electronic delivery of the notice only if the insured has agreed to receive communications electronically, otherwise, the notice must be mailed to the last known address of both the insured and the agent.

The bill requires that if a nonrenewal notice is sent less than 60 days before the policy's expiration date, the existing coverage remains in effect for 60 days after the notice is sent unless the insured accepts the nonrenewal earlier. The bill requires insurers to notify the insured of the prorated premium owed for the extended coverage period, calculated using the rates originally applicable to the policy. The bill maintains current law requiring the notice to include the policy number, the date of the notice, and the policy expiration date.

#### **Personal lines homeowners insurance nonrenewal**

The bill establishes nonrenewal procedures for personal lines homeowners insurance, including coverage for tenants, condominium owners, and owner-occupied dwelling or fire policies. The bill requires insurers to send written notice of nonrenewal to both the insured and the insured's agent or agent of record. The bill permits electronic delivery only when the insured has opted in, otherwise, the notice must be mailed to the last known address.

The bill requires insurers to send the nonrenewal notice at least 60 days before the policy's expiration date. The bill provides that if the notice is sent late, the policy remains effective for 60 days after the notice is sent unless the insured accepts the nonrenewal. The bill requires insurers to notify the insured of the prorated premium for the extended period, calculated using the policy's existing rates.

The bill requires the nonrenewal notice to include the policy number, the date of the notice, the effective date of expiration, and either an explanation of the reason for nonrenewal or a statement that the insurer will provide the explanation within five days of receiving a written request from the insured. The bill provides that except when extended due to late notice, a policy expires on the expiration date stated in the policy and the notice of nonrenewal.

The bill provides that sections 1 and 2 take effect six months after the bill's effective date. This may give insurers appreciable time to update administrative systems, communication procedures, and compliance processes.

### **Fiscal effect**

The bill has no direct fiscal effect on the state or local governments. The bill regulates private insurance market practices and does not impose new duties or costs on state agencies, counties, municipalities, townships, or school districts.

The bill may, however, create some additional administrative work for the Department of Insurance as it oversees insurer compliance, with any related costs paid from the Department of Insurance Operating Fund (Fund 5540). Any administrative adjustments required by insurers will occur within the private sector and will not affect public revenues or expenditures.