

As Passed by the House

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Representatives Ryan, Sears

**Cosponsors: Representatives Henne, Blessing, Hill, Duffey, Bishoff, Brenner,
Smith, K., Hackett, Kuhns, Retherford, Stinziano, Anielski, Buchy, Burkley, Green,
Kraus, Kunze, McColley, Rogers, Sprague, Sweeney, Young**

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 insurance under Title XXXIX of the Revised Code. The inclusion of a contract number or policy description in a certificate of insurance is not proof of such a guarantee. 46
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Sec. 3938.04. No person shall do either of the following: 50

(A) Prepare, issue, request, or require a certificate of insurance that contains any false or misleading information concerning the policy of insurance referenced in the certificate of insurance; 51
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(B) Prepare, issue, request, or require a certificate of insurance that affirmatively or negatively alters, amends, or extends the coverage provided by the policy of insurance referenced in the certificate of insurance. 55
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Sec. 3938.05. A certificate holder shall be entitled to notice of cancellation or nonrenewal or any similar notice concerning a policy of insurance only if the certificate holder is named within the policy or any endorsement to the policy and the policy or endorsement requires notice to be provided to the certificate holder. The terms and conditions of the notice, including the required timing of the notice, are governed by the policy of insurance and cannot be altered by a certificate of insurance. 59
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Sec. 3938.06. The provisions of this chapter shall apply to all certificates of insurance issued in connection with property and casualty risks located in this state, regardless of where the policyholder, insurer, insurance agent, or person requesting the certificate of insurance is located. 68
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Sec. 3938.07. A certificate of insurance that is issued in violation of this chapter shall be void. 73
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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