



S.B. 57

123rd General Assembly
(As Passed by the General Assembly)

Sens. Hottinger, Ray, Nein, Gardner, Wachtmann, Mumper, Spada, White

**Reps. Tiberi, Buchy, Austria, Evans, Jolivette, Harris, Haines, Van Vyven,
Amstutz, Grendell, Calvert, Olman**

Effective date: *

ACT SUMMARY

- Modifies the umbrella liability component of the definition of "automobile liability or motor vehicle liability policy of insurance" for purposes of the Uninsured and Underinsured Motorist Law.

CONTENT AND OPERATION

Background

Under ongoing Uninsured and Underinsured Motorist Law, no "automobile liability or motor vehicle liability policy of insurance" insuring against loss resulting from liability for bodily injury or death arising out of the ownership, maintenance, or use of a motor vehicle can be delivered or issued for delivery in Ohio unless both uninsured and underinsured motorist coverages are offered to persons insured under the policy for loss due to bodily injury or death suffered by such insureds (sec. 3937.18(A)). The law formerly defined "automobile liability or motor vehicle liability policy of insurance" as either of the following:

- (1) Any insurance policy that serves as proof of financial responsibility for purposes of the Financial Responsibility Law for owners or operators of the motor vehicles specifically identified in the policy;

* *The Legislative Service Commission had not received formal notification of the effective date at the time this analysis was prepared.*

(2) Any umbrella liability policy of insurance. (Sec. 3937.18(L).) (See COMMENT.)

The act

The act amends the definition of "automobile liability or motor vehicle liability policy of insurance," thereby affecting which policies are required to offer uninsured and underinsured motorist coverages. Under the act, the second component of the definition is modified to specify that only an umbrella liability policy of insurance written as excess over one or more policies described in the first component of the definition (see "**Background**") qualifies as an automobile liability or motor vehicle liability policy of insurance. (Sec. 3937.18(L).)

COMMENT

An umbrella liability policy is a separate policy over and above any other basic liability policy the insured may have. It affords high limit coverage in excess of the limits of the primary policies as well as additional liability coverages. (*Glossary of Insurance Terms*, 5th Edition, Merritt Publishing.)

HISTORY

ACTION	DATE	JOURNAL ENTRY
Introduced	02-10-99	p. 124
Reported, S. Insurance, Commerce & Labor	03-23-99	pp. 224-225
Passed Senate (33-0)	03-24-99	p. 238
Reported, H. Insurance	06-29-99	pp. 1120-1121
Passed House (93-3)	06-30-99	pp. 1138-1139

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