



Greg Schwab

## *Bill Analysis*

*Legislative Service Commission*

### **H.B. 726**

123rd General Assembly  
(As Introduced)

**Reps. Stapleton, Allen, Barrett, Vesper, Sullivan**

---

#### **BILL SUMMARY**

- Deems evidence of insurance written in conformity with the bill's requirements to be an insurance policy for the purpose of proving that a person has the indicated property or casualty insurance coverage.

---

#### **CONTENT AND OPERATION**

##### **Evidence of insurance as proof of insurance; insurance policy controls coverage**

(sec. 3929.39)

The bill deems evidence of insurance written in conformity with specified requirements to be an insurance policy for the purpose of proving that a person has the property or casualty insurance coverage specified in the evidence of insurance. Such evidence of insurance is also deemed to include all of the terms of a standard policy issued by the insurer of the policy type indicated by the evidence of insurance, unless superseded by the clear and express terms of the evidence of insurance.

When used for the purpose specified by the bill, "evidence of insurance" means a document executed by an insurance agent that includes all of the following:

- (1) The name and address of the insured and of any additional named insureds, mortgagees, and lienholders;
- (2) A description of the property insured, if applicable;
- (3) A description of the nature and amount of coverage and any special exclusions and endorsements not contained in a standard policy;
- (4) The identity of the insurer and of the agent executing the evidence of insurance;

(5) The effective date of coverage;

(6) A policy number in the case of a policy extension, or, where applicable, a binder number.

Except as provided below, a party to a contract or agreement refusing to accept evidence of insurance written in conformity with the bill's requirements as proof of insurance, when that proof is required by the contract or agreement, is deemed to be in breach of the contract or agreement. The bill provides that the nonbreaching parties to a contract or agreement breached in this manner are entitled to appropriate injunctive relief and may recover damages and reasonable attorney's fees and costs.

A party to a contract or agreement may refuse to accept evidence of insurance written in conformity with the bill's requirements as proof of insurance, without being deemed to be in breach of the contract or agreement, for reasonable cause. The bill provides that "reasonable cause" includes, but is not limited to, any of the following:

(1) Inadequate coverage or inappropriate terms of coverage with respect to the interest of the vendor, lender, lessor, or other person providing a service to the insured;

(2) Failure of the insurer to meet suitable financial standards appropriately established by a lender for all insurers for the type of loan for which the evidence of insurance is obtained, where applicable;

(3) Inability of a party to a contract or agreement to determine if the insurer is licensed to transact the line of insurance for which the evidence of insurance is obtained;

(4) Inability of a party to a contract or agreement to determine if the agent has authority to bind insurance coverage on behalf of the insurer;

(5) Failure of the evidence of insurance to contain all of the information required by this bill.

The bill provides that notwithstanding its other provisions, in any action pertaining to coverage brought against an insurer by an insured, the terms of an insured's policy of insurance control over the information contained in an evidence of coverage.

---

## **HISTORY**

ACTION	DATE	JOURNAL ENTRY
Introduced	05-25-00	pp. 2148-2149

H0726-I.123/bc

