



**H.B. 363**

124th General Assembly

(As Introduced)

(Corrected Version)

**Reps. Husted, Calvert, Raga, DeWine, Olman, Damschroder, Seitz, Schmidt, Webster, Faber, G. Smith, Setzer, Womer Benjamin, Fessler, Allen, Jerse, Collier, Lendrum**

---

**BILL SUMMARY**

- ? Increases the minimum monetary requirements for motor vehicle owner's liability insurance.
- ? Increases the minimum monetary requirements of automobile liability insurance or bond necessary to excuse a deposit of security.
- ? Increases the amount of money that would satisfy a judgment for the purpose of the Financial Responsibility Law.
- ? Modifies the definition of proof of financial responsibility as used in the Financial Responsibility Law.

---

**CONTENT AND OPERATION**

**Requirements for owner's liability insurance**

Under existing law, every motor vehicle owner's policy of liability insurance must designate by explicit description or by appropriate reference all motor vehicles with respect to which coverage is granted. The bill continues this requirement. Existing law also requires such a policy to insure the person named therein and any other person, as insured, using any such motor vehicles with the express or implied permission of the insured, against loss from the liability imposed by law for damages arising out of the ownership, maintenance, or use of such vehicles within the United States or Canada, subject to limits exclusive of interest and costs, with respect to each such motor vehicle, for a specified minimum amount for specified types of injuries. The bill continues this requirement but increases those minimum amounts as follows (R.C. 4509.51(B)):

(1) \$25,000 because of bodily injury to or death of one person in any one accident (\$12,500 under existing law);

(2) \$50,000 because of bodily injury to or death of two or more persons in any one accident (\$25,000 under existing law);

(3) \$25,000 because of injury to property of others in any one accident (\$7,500 under existing law).

**Requirements of insurance or bond necessary to excuse deposit of security**

**Existing law**

The Registrar of Motor Vehicles, upon the expiration of 20 days after the receipt of a motor vehicle accident report, must determine the amount of security that is sufficient to satisfy any judgments for damages resulting from the accident as may be recovered against each driver or owner involved in the accident. If the accident resulted in personal injury, that amount cannot be less than \$500. The Registrar then gives written notice to the persons involved of the amount of security required to be deposited. The notice informs the person of the right to a hearing if written request is made within 30 days of the mailing of the notice. Upon the failure of any person to request a hearing or to timely deposit the required security, the Registrar must suspend the license of the person and the registrations of all motor vehicles owned by the person. If the person is a nonresident, the suspension includes the privilege of operating any motor vehicle within this state or permitting the operation within this state of any motor vehicle owned by the nonresident. (R.C. 4509.12, 4509.13, and 4509.17--not in the bill.)

However, if there is an automobile liability policy or bond in effect at the time of the accident, the requirement for a security deposit does not apply to the following (R.C. 4509.19(A)(5) through (7)--not in bill):

(1) The driver or owner if the owner had in effect at the time of the accident an automobile liability policy or bond with respect to the motor vehicle in the accident, except that a driver is not exempt if at the time of the accident the motor vehicle was being operated without the owner's permission, express or implied;

(2) The driver, if not the owner of the motor vehicle involved in the accident, if there was in effect at the time of the accident an automobile liability policy or bond with respect to his driving of motor vehicles not owned by him;

(3) A driver or owner whose liability for damages resulting from the accident is, in the judgment of the Registrar of Motor Vehicles, covered by any other form of liability insurance policy or bond.

An automobile liability policy or bond does not comply with the above three exceptions (1) unless the policy or bond is issued by an insurance company or surety company authorized to do business in this state, (2) unless the policy or bond is subject, if the accident resulted in bodily injury or death, to a limit, exclusive of interest and costs, of not less than \$12,500 because of bodily injury to or death of one person in any one accident, and, subject to the limit for one person, of not less than \$25,000 because of bodily injury to or death of two or more persons in one accident, and if the accident has resulted in injury to, or destruction of property, to a limit of not less than \$7,500 because of injury to or destruction of property of others in any one accident, or (3) if the motor vehicle involved in the accident was not registered in Ohio or is registered elsewhere at the effective date of the policy or bond or the most recent renewal, unless the insurance company or surety company issuing the bond or policy is authorized to do business in this state, or if not authorized to do business in this state executes a power of attorney authorizing the Registrar of Motor Vehicles to accept service on its behalf of notice or process in any action upon such policy or bond arising out of such accident. (R.C. 4509.20(A).)

### **Operation of the bill**

The bill increases the limits set forth in clause (2) of the preceding paragraph under "**Existing law**" that an automobile liability policy or bond must be subject to in order to comply with the exceptions from being ordered to pay a security deposit in the event of a motor vehicle accident. The increases are as follows (R.C. 4509.20(A)):

(1) If the accident has resulted in bodily injury or death, a limit, exclusive of interest and costs, of not less than \$25,000 (\$12,500 in existing law) because of bodily injury to or death of one person in any one accident, and, subject to said limit for one person, a limit of not less than \$50,000 (\$25,000 in existing law) because of bodily injury to or death of two or more persons in one accident;

(2) If the accident has resulted in injury to, or destruction of property, a limit of not less than \$25,000 (\$7,500 in existing law) because of injury to or destruction of property of others in any one accident.

If the owner's or driver's automobile insurance policy or bond does not comply with the above mentioned limits, the Registrar of Motor Vehicles must determine the amount of security that is sufficient to satisfy any judgments for damages resulting from the accident as discussed above in "**Existing law**." (R.C. 4509.12, 4509.13, and 4509.17--not in the bill).

**Satisfaction of judgments**

**Operation of the bill**

The bill increases the amount of money that satisfies a judgment for the purpose of the Financial Responsibility Law. Under the bill, a judgment is satisfied for the purpose of that Law as follows (R.C. 4509.41(A)) (current law in parentheses and italics):

(1) When \$25,000 (*\$12,500*) has been credited upon any judgments in excess of that amount because of bodily injury to or death of one person as a result of any one accident;

(2) When \$50,000 (*\$25,000*) has been credited upon any judgments in excess of that amount because of bodily injury to or death of two or more persons as the result of any one accident;

(3) When \$25,000 (*\$7,500*) has been credited upon any judgments in excess of that amount because of injury to property of others as a result of any one accident.

**Proof of financial responsibility**

The bill modifies the definition of "proof of financial responsibility" that applies to the Financial Responsibility Law to reflect the bill's increase in the requirement for owner's liability insurance so that it reads as follows (R.C. 4509.01(K)):

"Proof of financial responsibility" means proof of ability to respond in damages for liability, on account of accidents occurring subsequent to the effective date of such proof, arising out of the ownership, maintenance, or use of a motor vehicle in the amount of \$25,000 (*\$12,500* in existing law) because of bodily injury to or death of one person in any one accident, in the amount of \$50,000 (*\$25,000* in existing law) because of bodily injury to or death of two or more persons in any one accident, and in the amount of \$25,000 (*\$7,500* in existing law) because of injury to property of others in any one accident.

---

**HISTORY**

ACTION	DATE	JOURNAL ENTRY
Introduced	09-13-01	p. 829

h0363-i.124/kl

