



Greg Schwab

Bill Analysis
Legislative Service Commission

Am. H.B. 301
125th General Assembly
(As Reported by H. Insurance)

Reps. Core, Seitz, Hoops, Gilb, Willamowski, McGregor, Collier, Gibbs, White, Hughes, Setzer, T. Patton, Wolpert, Daniels, Sferra, Martin, G. Smith

BILL SUMMARY

- Limits the duration of a mutual insurance company's lien on property it insures to five years from the date of the filing of the lien or an extension certificate.

CONTENT AND OPERATION

Duration of a mutual insurance company's lien on an insured's property

(sec. 3929.18)

Existing law requires any building that is insured by a mutual insurance company be pledged to that company, together with the insured's right and title in the land on which the building sits, in the amount of the insured's premium note or contingent liability, thereby providing the mutual insurance company with a lien on the building and land in the amount of the note or liability. Under the bill, such a lien is valid for five years from the date of its proper filing with a county recorder. Currently, the Revised Code does not limit the duration of a mutual insurance company's lien on property that it insures.

However, the bill allows a mutual insurance company to extend a lien beyond five years by filing one or more extension certificates with the county recorder. The extension certificate must be filed prior to the expiration date of the original lien or any then-current extension certificate. The extension certificate must reference the original certificate filed with the county recorder identifying the mutual insurance company's lien, and any previous extension certificates filed on the lien. If an extension certificate is timely filed, the lien remains valid for a period of five years from the date of the extension certificate's filing.

The bill applies to liens obtained by mutual insurance companies on their insured properties prior to the bill's effective date. The bill states that a lien obtained prior to the bill's effective date remains valid only for five years after the bill's effective date. However, these existing liens also may be extended by the timely filing of extension certificates as provided in the bill.

Under the bill, a mutual insurance company's lien may be released or satisfied prior to the lien's then-current expiration date in the same manner provided by law for the release and satisfaction of mortgages on real property. The lien also may be discharged by the final judgment or order of a court of competent jurisdiction.

HISTORY

ACTION	DATE	JOURNAL ENTRY
Introduced	10-15-03	p. 1114
Reported, H. Insurance	12-18-03	pp. 1340-1341

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