



**Am. Sub. S.B. 97**

125th General Assembly

(As Reported by H. State Government)

**Sens. Mallory, Brady, Carey, Dann, DiDonato, Fedor, Fingerhut, Goodman, Herington, Prentiss, Schuler, Stivers, Armbruster, Austria, Blessing, Miller, Nein, Schuring, Harris, Robert Gardner, White, Spada, Jacobson, Randy Gardner, Hottinger, Jordan**

**Reps. Carmichael, Flowers, Cates, Buehrer, Trakas, Key**

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**BILL SUMMARY**

- Removes the terms "colored persons," "Negroes," and "person of color" from statutory provisions relating to capital improvement contracts with minority business enterprises, certain hiring hall contracts, and life insurance contracts.
- Broadens the application of existing prohibitions against various forms of discrimination in the sale and cost of life insurance to include all races.
- Modifies the procedure that an insurance company must follow when it denies life insurance and the applicant believes the denial was on the basis of race.

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**CONTENT AND OPERATION**

**Contracts for capital improvement projects**

**Current law**

Current law provides in part that, in awarding contracts for capital improvement projects, the Department of Administrative Services must ensure that equal consideration is given to contractors, subcontractors, or joint venturers who qualify as a minority business enterprise. A "minority business enterprise" is defined as a business enterprise that is owned or controlled by one or more socially or economically disadvantaged persons who are residents of this state. "Socially or economically disadvantaged persons" means persons, regardless of marital status, who are members of groups whose disadvantages may arise from

discrimination on the basis of race, religion, sex, disability, national origin, ancestry, or other similar cause. Such persons include, but are not limited to, Negroes, Puerto Ricans, Spanish-speaking Americans, American Indians, Eskimos, and Aleuts. (R.C. 153.59.)

### **Changes proposed by the bill**

The bill removes the reference to these "example" groups of disadvantaged persons from these capital improvement project provisions, and also removes a reference to "Negroes" and replaces it with "African-Americans" in non-discrimination job referral statutory provisions pertaining to public work project hiring hall contracts or agreements (R.C. 153.59(C) and 153.591).

### **Life insurance**

#### **In general**

Current law prohibits a life insurance company organized or doing business in Ohio from doing any of the following (R.C. 3911.16):

(1) Making any distinction or discrimination between white persons and colored persons, wholly or partially of African descent, as to premiums or rates charged for policies upon the lives of those persons;

(2) Demanding or requiring greater premiums from colored persons than are at that time required by the company from white persons of the same age, sex, general condition of health, and hope of longevity (see below);

(3) Making or requiring any rebate, diminution, or discount upon the sum to be paid on a policy in case of the death of a colored person;

(4) Inserting into a policy any condition, or making any stipulation by which a colored person binds self or heirs, executors, administrators, or assigns, to accept any sum less than the full value or amount of the policy in case of a claim accruing under the policy by reason of the death of the insured, other than conditions or stipulations that are imposed upon white persons in similar cases.

The bill removes from the provisions described in items (1) to (4) above the references to "white persons" and "colored persons," replaces most of those references with "on the basis of race," and makes other technical changes in those provisions. It also modifies item (2) above to prohibit demanding or requiring greater premiums from persons *who are of different races* and who are of the same age, sex, general condition of health, and hope of longevity. (R.C. 3911.16.)

### Applications

Current law provides that any life insurance company that refuses the application of a colored person for insurance upon that person's life must furnish the person with the certificate of some regular examining physician of the company, who has examined the person, stating that the application has been refused, not because the person is a person of color, but solely upon grounds of general health and hope of longevity as would be applicable to white persons of the same age and sex. The bill removes the reference to "colored persons," "white persons," and "person of color" in this provision and modifies the procedure that is to be followed when an insurance company denies an application for life insurance. It provides instead that if a life insurance company denies an applicant life insurance and the applicant believes that the denial was on the basis of race, the insurance company must provide, upon the request of the applicant, the specific reason or reasons for the denial, as provided in the Disclosure of Reasons for Adverse Underwriting Decisions Law, as well as an affirmation that the denial was not on the basis of race. (R.C. 3911.16.)

### Other discrimination provisions

The bill removes the references to "colored persons wholly or partially of African descent," "colored persons," and "white persons" from the law prohibiting a life insurance company from discriminating (1) by demanding or receiving from a colored person a different or greater premium than from a white person, or (2) by allowing a discount or rebate upon a premium paid or to be paid by a white person of the same age, sex, general condition of health, and hope of longevity of any colored person, or (3) by making or requiring a rebate, diminution, or discount from the amount to be paid under a policy in the case of an insured colored person--and replaces those references with "on the basis of race." Finally the bill replaces a provision of law that prohibits a life insurance company from discriminating by failing to furnish *a certificate of a regular examining physician of the company to a colored person* with a prohibition against failing to furnish information required under R.C. 3904.10 or 3911.16--the statutes that, respectively, require the disclosure of the reasons for adverse underwriting decisions and set forth the above-described procedure to be followed after a denial of an application for life insurance if an applicant believes that the denial was on the basis of race. (R.C. 3911.17.)

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## HISTORY

| ACTION                                     | DATE     | JOURNAL ENTRY |
|--|----------|---------------|
| Introduced                                 | 06-03-03 | p. 401        |
| Reported, S. Judiciary<br>on Civil Justice | 06-25-03 | p. 871        |
| Passed Senate (33-0)                       | 06-25-03 | p. 876        |
| Reported, H. State Gov't                   | 12-03-03 | pp. 1145-1146 |

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