



Sub. S.B. 97*

125th General Assembly

(As Reported by S. Judiciary on Civil Justice)

Sens. Mallory, Brady, Carey, Dann, DiDonato, Fedor, Fingerhut, Goodman, Herington, Prentiss, Schuler, Stivers

BILL SUMMARY

- Removes the terms "colored persons," "Negroes," and "person of color" from Revised Code provisions relating to contracts with minority business enterprises and life insurance.
- Broadens the application of the existing prohibition against discrimination in the sale and cost of life insurance to include all races.
- Modifies the procedures that an insurance company must follow when it denies life insurance and the applicant believes the denial was on the basis of race and procedures related to prohibitions against charging different rates for life insurance based on race.

CONTENT AND OPERATION

Contracts for capital improvement projects

R.C. 153.59 provides in part that, in awarding contracts for capital improvement projects, the Department of Administrative Services must ensure that equal consideration be 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

* *This analysis was prepared before the report of the Senate Judiciary on Civil Justice Committee appeared in the Senate Journal. Note that the list of co-sponsors and the legislative history may be incomplete.*

discrimination on the basis of race, religion, sex, disability, national origin, or ancestry, or other similar cause. Such persons include, but are not limited to, Negroes, Puerto Ricans, Spanish speaking Americans, American Indians, Eskimos, and Aleuts. The bill removes the reference to these specified groups of persons. The bill also removes a reference to "Negroes" and replaces it with "African Americans" in R.C. 153.591 (regarding hiring hall contracts or agreements).

Life insurance

Under current law, a life insurance company organized or doing business within this state is prohibited 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 decent, as to premiums or rates charged for policies upon the lives of such persons;
- (2) Demanding or requiring greater premiums from such 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;
- (3) Making or requiring any rebate, diminution, or discount upon the sum to be paid on such policy in case of the death of such colored person;
- (4) Inserting in the policy any condition or make any stipulation by which such colored person binds himself or his heirs, executors, administrators, or assigns, to accept any sum less than the full value or amount of such policy in case of a claim accruing thereon by reason of the death of the person insured, other than such as are imposed upon white persons in similar cases.

The bill removes from the above-described provisions the references to "white persons" and "colored persons" and replaces them with "on the basis of race" and makes other technical changes. It also modifies (2), above, to prohibit "demanding or requiring greater premiums from persons of different races of the same age, sex, and general condition of health."

Current law also provides that any life insurance company that refuses the application of a colored person for insurance upon his life must furnish him with the certificate of some regular examining physician of the company, who has made examination of such person, stating that his application has been refused, not because he is a person of color, but solely upon such grounds of his 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," modifies the procedure that is to be followed when an insurance

company denies an application for life insurance, and provides 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 shall provide, upon the request of the applicant, the specific reason or reasons for the denial, as provided in section 3904.10 of the Revised Code, as well as an affirmation that the denial was not on the basis of race. (R.C. 3911.16.)

The bill also removes the references to "colored persons" and "white persons" from the law prohibiting a life insurance company from demanding or receiving from a colored person a different or greater premium than from a white person by allowing a discount or rebate upon a premium paid or to be paid by a white person of same age, sex, general condition of health, and hope of longevity of any colored person, and replaces those references with "on the basis of race." It also modifies a provision of that law that prohibits a life insurance company from allowing a discount or rebate on the basis of race upon a premium paid or to be paid *by persons of the same age, sex, general condition of health, and hope of longevity* by removing the italicized language. Finally it modifies a provision of that law that prohibits a life insurance company from failing to furnish *a certificate of a regular examining physician of the company to a person on the basis of race* with a prohibition against failing to furnish information required under R.C. 3904.10 or 3911.16 (disclosure of reason for adverse underwriting decision and above-described procedures to be followed after denial of life insurance). (R.C. 3911.17.)

HISTORY

ACTION	DATE	JOURNAL ENTRY
Introduced	06-03-03	p. 401
Reported, S. Judiciary on Civil Justice	---	---

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