



Ohio Administrative Code

Rule 4501-7-27 Insurance and bonding for training the operation of commercial motor vehicles.

Effective: October 8, 2009

(A) The authorizing official shall maintain financial responsibility for the operation of all motor vehicles used for instruction as specified in Chapter 4509. of the Revised Code. Such insurance coverage shall be acquired from a company licensed to do business in this state and shall be maintained as long as the driver training enterprise is operating a driver training school. Proof of the insurance coverage required by this rule shall be maintained in the school office and with all motor vehicles used for instruction. The certificate of insurance shall be available for inspection during reasonable hours.

(B) Insurance coverage shall be maintained in the following minimum limits as provided in either paragraph (B)(1) or (B)(2) of this rule, and these limits shall be listed on the certificate of insurance:

(a) One hundred thousand dollars for bodily injury to or death of one person in any one crash;

(b) Three hundred thousand dollars for bodily injury to or death of two or more persons in any one crash;

(c) Twenty-five thousand dollars for injury to property of others in any one crash;

(d) Five thousand dollars medical payments for each occupant;

(e) Uninsured motorist coverage at least equal to the bodily injury coverage required in paragraphs (B)(1)(a) and (B)(1)(b) of this rule.

(a) Five hundred thousand dollars combined single limit liability coverage;

(b) Twenty-five thousand dollars for injury to property of others in any one crash;

(c) Five thousand dollars medical payments for each occupant;



(d) Uninsured motorist coverage at least equal to the bodily injury coverage required in paragraph (B)(2)(a) of this rule.

(C) Failure to maintain the required insurance, including the record of current coverage as required by this rule, may result in the suspension or revocation of an authorizing official's driver training school license.

(D) No driver training school licensed to train commercial motor vehicle operators shall be issued or renewed until the authorizing official certifies that the enterprise maintains a continuous performance bond for each of its schools in an amount sufficient to cover the cost of reimbursing students for training not supplied. In lieu of a performance bond, an enterprise may maintain an escrow account to cover the cost of reimbursing students for instruction and/or services not supplied. The amount for such shall be based on the number of students trained by the enterprise or number of students anticipated to be trained by the enterprise. Such bond or escrow account shall be no less than fifty thousand dollars for each school licensed by the enterprise. The performance bond or escrow account shall continue in force as long as the enterprise operates a school or as long as the enterprise has students to whom it is contractually obligated.

(1) The current and valid performance bond or evidence of an escrow account shall be maintained at the school office and filed as a part of the school records and made available upon request. Such bond or escrow account shall be obtained by the enterprise from a company authorized to do business in this state specifying that such enterprise shall not practice any fraud or make any fraudulent representation which may cause a monetary loss to a person taking instruction from the enterprise.

(2) The bond or escrow account shall include the enterprise name, the amount of the bond, and the effective dates of the bond or escrow account.

(3) The bond or escrow account shall name the department of public safety and the state of Ohio as obligees and shall stipulate that the director shall be notified ten days before the bond or escrow account terminates due to its expiration or cancellation or before the bond or escrow account is reduced in value.



(4) The above bond or escrow account does not apply to a driver training school operated under the authority of the state of Ohio or any political subdivision approved by the director.

(5) Failure to maintain such performance bond or escrow account, including the record of bond or escrow account required by this rule, during any portion of the licensure period may result in suspension or revocation of an authorizing official's driver training school license.