



## Ohio Revised Code

### Section 1321.81 Cancellation of insurance contract - procedure.

Effective: September 29, 1994

Legislation: Senate Bill 259 - 120th General Assembly

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(A) When a premium finance agreement contains a power of attorney authorizing the premium finance company to cancel any insurance contract or contracts listed in the agreement, the insurance contract or contracts shall not be cancelled by the premium finance company unless the cancellation is effectuated in accordance with this section.

(B) Not less than ten days' written notice shall be mailed to the insured at his last known mailing address, as shown on the records of the premium finance company, of the intent of the premium finance company to cancel the insurance contract unless the default is cured within such ten-day period.

(C) After expiration of such ten-day period, the premium finance company may cancel, in the name of the insured, such insurance contract or contracts by mailing to the insurer a notice of cancellation, and the insurance contract shall be cancelled as if such notice of cancellation had been submitted by the insured himself, but without requiring the return of the insurance contract or contracts. The premium finance company also shall mail a notice of cancellation to the insured at his last known mailing address, as shown on the records of the premium finance company.

(D) All statutory, regulatory, and contractual restrictions providing that the insurance contract may not be cancelled unless notice is given to a governmental agency, mortgagee, or other third party shall apply where cancellation is effected under this section. The insurer shall give the prescribed notice in behalf of itself or the insured to any governmental agency, mortgagee, or third party on or before the second business day after the day it receives the notice of cancellation from the premium finance company and shall determine the effective date of cancellation taking into consideration the number of days' notice required to complete the cancellation.

(E) The premium finance company shall retain copies of the notices required under divisions (B) and (C) of this section by placing them in the insured's file or by preserving them in a retrieval system maintained in whole or in part by mechanical or electronic data processing methods.