



Ohio Revised Code

Section 3937.31 Policy period or guaranteed renewable successive policy periods.

Effective: January 1, 2004

Legislation: Senate Bill 123 - 124th General Assembly

(A) Every automobile insurance policy shall be issued for a period of not less than two years or guaranteed renewable for successive policy periods totaling not less than two years. Where renewal is mandatory, "cancellation," as used in sections 3937.30 to 3937.39 of the Revised Code, includes refusal to renew a policy with at least the coverages, included insureds, and policy limits provided at the end of the next preceding policy period. No insurer may cancel any such policy except pursuant to the terms of the policy, and in accordance with sections 3937.30 to 3937.39 of the Revised Code, and for one or more of the following reasons:

- (1) Misrepresentation by the insured to the insurer of any material fact in the procurement or renewal of the insurance or in the submission of claims thereunder;
- (2) Loss of driving privileges through suspension or expiration of the driver's or commercial driver's license of the named insured or any member of the named insured's family covered as a driver; provided that the insurer shall continue the policy in effect but exclude by endorsement all coverage as to the person whose driver's license has been suspended or has expired, if the person is other than the named insured or the principal operator;
- (3) Nonpayment of premium, which means failure of the named insured to discharge when due any of the named insured's obligations in connection with the payment of premiums on a policy, or any installment of such premiums, whether the premium is payable directly to the insurer or its agent or indirectly under any premium finance plan or extension of credit;
- (4) The place of residence of the insured or the state of registration or license of the insured automobile is changed to a state or country in which the insurer is not authorized to write automobile coverage.

This section does not apply in the case of a cancellation if the insurer has indicated its willingness to



issue a new policy within the same insurer or within another insurer under the same ownership or management as that of the insurer that has issued the cancellation.

(B) Sections 3937.30 to 3937.39 of the Revised Code do not prohibit:

(1) Changes in coverage or policy limits, cancellation, or nonrenewal for any reason at the request or with the consent of the insured;

(2) Lawful surcharges, adjustments, or other changes in premium;

(3) Policy modification to all policies issued to a classification of risk which do not effect a withdrawal or reduction in the initial coverage or policy limits;

(4) An insurer's refusing for any reason to renew a policy upon its expiration at the end of any mandatory period, provided such nonrenewal complies with the procedure set forth in section 3937.34 of the Revised Code.

(C) Sections 3937.30 to 3937.39 of the Revised Code do not apply to any policy or coverage that has been in effect less than ninety days at the time notice of cancellation is mailed by the insurer, unless it is a renewal policy.

(D) Renewal of a policy does not constitute a waiver or estoppel with respect to grounds for cancellation that existed before the effective date of such renewal.

(E) Nothing in this section prohibits an insurer from incorporating into a policy any changes that are permitted or required by this section or other sections of the Revised Code at the beginning of any policy period within the two-year period set forth in division (A) of this section.