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S.B. 236
134th General Assembly

Bill Analysis

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Version: As Passed by the Senate

Primary Sponsors: Sens. Wilson and Lang

Yosef Schiff, Attorney

SUMMARY

- Deems purchasing a policy of insurance through an online website or application to be consent to receiving communication related to the policy via electronic transmission.
- Makes such communications subject to the requirements of the Insurance Automated Transaction Law.
- Specifies that such consumers may request and receive all communication related to the policy via paper.

DETAILED ANALYSIS

Overview

The bill amends the law pertaining to automated transactions between insurers and consumers. Under existing law, if a consumer consents, insurers may conduct business with that consumer via automated transaction. “Automated transaction” is defined as being a transaction conducted or performed by electronic means or electronic records, in which the acts or records of one or both parties are not reviewed by an individual.

The bill expands the Insurance Automated Transaction Law by prescribing that a consumer who purchases a policy of insurance through an online platform is considered to be consenting to conduct the business of insurance via automated transaction. And as such, the consumer will be considered to have affirmatively consented to have all notices and documents related to the policy delivered electronically. But, these provisions are not to be construed as requiring an insurer to offer or otherwise provide an online platform to conduct the business of insurance.

An “online platform” is a website or other digital application designed to facilitate the purchase of insurance policies from a licensed insurer. If a consumer purchasing a policy of insurance via an online platform requests to receive notices and documents in paper format,

then the insurer must provide all notices and other documents related to the policy to the insured in paper format.¹

Requirements for automated transactions

Existing law imposes certain requirements on insurers conducting business via automated transactions. These requirements would also apply to the electronic communication authorized under the bill. Under existing law, automated transactions are subject to all of the following:

- The transmission of information must be in compliance with the Uniform Electronic Transactions Act.
- Notices of cancellation, nonrenewal, or termination must be delivered via the last known contact point of the consumer.
- All other information may be delivered via a secure website.
- Changes to a policy that are delivered via a secure website must meet minimum standards.
- All automated transactions must inform the consumer that the consumer may withdraw consent to receiving information via automated transaction and must also provide information on how to withdraw consent.
- A withdrawal of consent to receive information via automated transaction is to be effective no later than ten business days after receipt.²

HISTORY

Action	Date
Introduced	09-28-21
Reported, S. Insurance	12-15-21
Passed Senate (33-0)	01-26-22

S0236-PS-134/ar

¹ R.C. 3901.41(J).

² R.C. 3901.41(B) to (D).