



www.lsc.ohio.gov

OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research
and Drafting

Legislative Budget
Office

S.B. 236
134th General Assembly

Final Analysis

[Click here for S.B. 236's Fiscal Note](#)

Primary Sponsors: Sens. Wilson and Lang

Effective date: September 13, 2022

Christina Hambleton, LSC Fellow

UPDATED VERSION*

SUMMARY

- Deems purchasing an insurance policy through an online website or application to be consent to receiving communication related to the policy via electronic transmission.
- Subjects the communications to the requirements of the Insurance Automated Transaction Law.
- Specifies that consumers may request and receive all communication related to an insurance policy via paper.
- Requires, for an insurer, repair facility, or installer to use a salvage motor vehicle part to repair a motor vehicle, that the part be sourced from a licensed salvage motor vehicle dealer, rather than requiring that the part be removed from a salvage motor vehicle by a licensed dealer as under former law.

DETAILED ANALYSIS

Automated insurance transactions

Consent to electronic communication

The act 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 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.

* This version updates the effective date.

The act expands the law by prescribing that a consumer who purchases an insurance policy through an online platform is considered to be consenting to conduct the business of insurance via automated transaction. 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 an insurance policy via an online platform requests to receive notices and documents in paper format, the insurer must provide all notices and other documents related to the policy to the consumer 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 act. 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

Salvage motor vehicle parts

The act modifies a requirement for an insurer, repair facility, or installer to use a salvage motor vehicle part to repair a motor vehicle. It requires that the part be sourced from a licensed salvage motor vehicle dealer, instead of requiring that the part be removed from a

¹ R.C. 3901.41(A) and (J).

² R.C. 3901.41(B) to (E).

salvage motor vehicle by a licensed dealer as under former law.³ The Motor Vehicle Salvage Law⁴ regulates the sale of salvage motor vehicle parts and, among other things, requires a person to obtain a license to engage in the business of selling those parts at retail to a consumer.⁵

HISTORY

Action	Date
Introduced	09-28-21
Reported, S. Insurance	12-15-21
Passed Senate (33-0)	01-26-22
Reported, H. Technology & Innovation	04-12-22
Passed House (85-0)	05-18-22
Senate concurred in House amendments (30-0)	05-25-22

22-ANSB236EN-UPDATED-134/ts

³ R.C. 1345.81.

⁴ R.C. Chapter 4738.

⁵ R.C. 4738.01 and 4738.02, not in the act.