



Ohio Revised Code

Section 3937.25 Grounds for cancellation.

Effective: September 13, 2004

Legislation: Senate Bill 187 - 125th General Assembly

(A) As used in sections 3937.25 to 3937.29 of the Revised Code, "medical malpractice insurance" means insurance coverage against the legal liability of the insured for loss, damage, or expense arising from a medical, optometric, or chiropractic claim, as those claims are defined in section 2305.113 of the Revised Code.

(B) After a policy of commercial property insurance, commercial fire insurance, or commercial casualty insurance other than fidelity or surety bonds, medical malpractice insurance, and automobile insurance as defined in section 3937.30 of the Revised Code, has been in effect for more than ninety days, a notice of cancellation for such policy shall not be issued by any licensed insurer unless it is based on one of the following grounds:

- (1) Nonpayment of premium;
- (2) Discovery of fraud or material misrepresentation in the procurement of the insurance or with respect to any claims submitted thereunder;
- (3) Discovery of a moral hazard or willful or reckless acts or omissions on the part of the named insured that increase any hazard insured against;
- (4) The occurrence of a change in the individual risk which substantially increases any hazard insured against after insurance coverage has been issued or renewed, except to the extent the insurer reasonably should have foreseen the change or contemplated the risk in writing the contract;
- (5) Loss of applicable reinsurance or a substantial decrease in applicable reinsurance, if the superintendent has determined that reasonable efforts have been made to prevent the loss of, or substantial decrease in, the applicable reinsurance, or to obtain replacement coverage;
- (6) Failure of an insured to correct material violations of safety codes or to comply with reasonable



written loss control recommendations;

(7) A determination by the superintendent of insurance that the continuation of the policy would create a condition that would be hazardous to the policyholders or the public.

(C) The notice of cancellation required by this section must be in writing, be mailed to the insured at the insured's last known address, and contain all of the following:

- (1) The policy number;
- (2) The date of the notice;
- (3) The effective date of the cancellation;
- (4) An explanation of the reason for cancellation.

Such notice of cancellation also shall be mailed to the insured's agent.

(D) Except for nonpayment of premium, the effective date of cancellation must be no less than thirty days from the date of mailing the notice. When cancellation is for nonpayment of premium, the effective date of cancellation must be no less than ten days from the date of mailing the notice.

(E) Nothing in division (B) of this section shall be construed to prevent an insurer from writing a policy of commercial property insurance, commercial fire insurance, or commercial casualty insurance other than medical malpractice insurance and automobile insurance as defined in section 3937.30 of the Revised Code for a period greater than one year and providing in such policy that the insurer may issue a notice of cancellation of such policy at least thirty days prior to an anniversary of such policy, with the effective date of cancellation being that anniversary.

The superintendent may prescribe that adequate disclosure be made to the insured when a policy is issued for a term of more than one year.

(F) There is no liability on the part of, and no cause of action of any nature arises against, the



superintendent of insurance, any insurer, or any person furnishing information requested by the superintendent, an insurer, the agent, employee, attorney, or other authorized representative of any such persons, for any oral or written statement made to supply information relevant to a determination on cancellation of any policy of commercial property insurance, commercial fire insurance, or commercial casualty insurance other than fidelity or surety bonds, medical malpractice insurance, and automobile insurance as defined in section 3937.30 of the Revised Code, or in connection with advising an insured or an insured's attorney of the reasons for a cancellation of such insurance, or in connection with any administrative or judicial proceeding arising out of or related to such cancellation.