



# Ohio Legislative Service Commission

## Bill Analysis

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### Sub. H.B. 279\*

131st General Assembly  
(As Reported by H. Insurance)

**Reps.** Henne, Becker, Blessing, Hackett, Buchy, Derickson, Brenner, T. Johnson, Sears, Reineke, Boose, Burkley, Ryan, Perales, Retherford, Ginter, Ruhl, Brinkman, Romanchuk, Thompson, Terhar

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## BILL SUMMARY

- Prohibits a driver who fails to maintain proof of financial responsibility from suing to recover damages for noneconomic loss sustained as the result of an accident while operating a motor vehicle if in the preceding seven years the driver's operating privileges were revoked and license impounded for failing to maintain proof of financial responsibility.
- Establishes certain exceptions to this prohibition.

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## CONTENT AND OPERATION

### Financial Responsibility Law

Ohio's Financial Responsibility Law prohibits an individual from operating a motor vehicle in Ohio without maintaining "proof of financial responsibility" continuously throughout the registration period with respect to that vehicle, or in the case of a driver who is not the owner, with respect to that driver's operation of that vehicle. "Proof of financial responsibility" is the term used to mean "proof of ability to respond in damages for liability, on account of accidents occurring subsequent to the effective date of such proof, arising out of the ownership, maintenance, or use of a motor vehicle" in specified amounts.<sup>1</sup> Most typically, financial responsibility is maintained by a motor vehicle liability insurance policy and proof is established by an

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\* This analysis was prepared before the report of the House Insurance Committee appeared in the House Journal. Note that the list of co-sponsors and the legislative history may be incomplete.

<sup>1</sup> R.C. 4509.01(K), not in the bill.

identification card issued by an insurer, but financial responsibility also may be maintained by a bond or a certificate of insurance.<sup>2</sup>

Current law imposes civil penalties for failure to maintain financial responsibility as required. The civil penalties include a driver's license suspension and impoundment of the person's driver's license; also, the person's right to register a vehicle is suspended and the certificate of registration and license plates are impounded.<sup>3</sup>

### **No cause of action for noneconomic damages**

The bill specifies that a driver who fails to maintain proof of financial responsibility generally cannot sue to recover damages for noneconomic loss sustained as a proximate result of an accident while operating a motor vehicle if at any time during the seven years preceding the accident, the driver's operating privileges and license were impounded for failing to maintain proof of financial responsibility under the Financial Responsibility Law.<sup>4</sup> "Noneconomic loss" means nonpecuniary harm that results from an injury, death, or loss to person that is a subject of a tort action, including pain and suffering, loss of consortium, mental anguish, and any other intangible loss.<sup>5</sup>

### **Exceptions**

The bill's prohibition does not apply to (1) an action for wrongful death<sup>6</sup> or (2) an individual who is under the age of 18 at the time of commencement of the action.

Additionally, the bill's provisions do not apply if the noneconomic loss sustained by the driver is caused by an individual who pleads guilty to or is convicted of any of the following:

- An offense for which four or six points are assessed against the individual under continuing Motor Vehicle Law;
- Texting while driving, in violation of continuing Motor Vehicle Law.<sup>7</sup>

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<sup>2</sup> R.C. 4509.104 and 4509.59 through 4509.65, not in the bill.

<sup>3</sup> R.C. 4509.101, not in the bill.

<sup>4</sup> R.C. 4509.105(A). Note - in a drafting error, this provision should refer to the individual's operating privileges being *revoked* and license being impounded.

<sup>5</sup> R.C. 2307.011, not in the bill.

<sup>6</sup> Ohio Constitution, art. I, sec. 19a.

<sup>7</sup> R.C. 4509.105(B) and (C).



## Effective date

The bill's provisions limiting recovery of damages for noneconomic loss take effect 90 days after the bill's effective date.<sup>8</sup>

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## HISTORY

ACTION	DATE
Introduced	06-29-15
Reported, H. Insurance	---

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<sup>8</sup> Section 2.

