



Ohio Legislative Service Commission

Bill Analysis

Nick Thomas

Sub. H.B. 279

131st General Assembly
(As Passed by the House)

Reps. Henne and Rezabek, Becker, Blessing, Hackett, Buchy, Derickson, Brenner, T. Johnson, Sears, Reineke, Boose, Burkley, Perales, Retherford, Ginter, Ruhl, Brinkman, Romanchuk, Thompson, Antani, Schaffer, R. Smith

BILL SUMMARY

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

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." This proof must be maintained continuously throughout that vehicle's registration period. Nonowner drivers must maintain proof with respect to the driver's operation of that vehicle. "Proof of financial responsibility" is proof of ability to respond in damages for liability for accidents arising out of the ownership, maintenance, or use of a motor vehicle in specified amounts.¹ Most typically, financial responsibility is maintained by a motor vehicle liability insurance policy and proof is established by an identification card issued by an insurer, but financial responsibility also may be maintained by a bond or a certificate of insurance.²

¹ R.C. 4509.01(K), not in the bill.

² R.C. 4509.104 and 4509.59 through 4509.65, not in the bill.

Current law imposes civil penalties for failure to maintain proof of financial responsibility. 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.³

No cause of action for noneconomic damages

Under the bill, if a driver fails to maintain proof of financial responsibility at the time the driver is in an accident, the driver cannot sue for damages for noneconomic loss sustained as a proximate result of the accident, if the driver's operating privileges and license impounded for failing to maintain proof of financial responsibility at any time during the seven years preceding the accident.⁴ "Noneconomic loss" means nonpecuniary harm resulting from an injury, death, or loss to person. Common examples are pain and suffering, loss of consortium, and mental anguish.⁵

Exceptions

The bill's prohibition does not apply to wrongful death actions⁶ or to an individual who is under 18 at the time of the action is commenced. Additionally, the bill's provisions do not apply if the noneconomic loss is caused by an individual who is convicted of:

- An offense for which four or six points are assessed against the individual under continuing Motor Vehicle Law;
- Texting while driving.⁷

Effective date

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

³ R.C. 4509.101, not in the bill.

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

⁵ R.C. 2307.011(E), not in the bill.

⁶ Ohio Constitution, art. I, sec. 19a.

⁷ R.C. 4509.105(B) and (C).

⁸ Section 2.



HISTORY

ACTION	DATE
Introduced	06-29-15
Reported, H. Insurance	05-24-16
Passed House (62-35)	05-25-16

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