



Ohio Miscellaneous Regulatory Material
DEPARTMENT OF INSURANCE
BULLETINS

Bulletin 36 No automatic policy renewals

Effective Date
December 18, 1963

Agents generally are granted contractual authority to bind their companies on renewals of existing insurance policies. On occasion renewals are made without specific authorization by the insured and, in fact, contrary to the insured's wishes. Thereafter the agent attempts to collect the policy premium and the insured declines to pay, having obtained insurance coverage elsewhere.

It is a basic principle of contract law that there must be a meeting of minds before a contract is binding upon both parties. When an agent renews a policy without first receiving authorization from the policyholder, or without notifying the policyholder with regard to the agent's action of renewing said policy within thirty (30) days after the expiration date of the policy, there can be no meeting of the minds or implied meeting of the minds and, therefore, a binding contract does not exist. Any agent who attempts to collect a premium under the above circumstances does so contrary to the policy of the department and such action will become subject to departmental investigation.

William R. Morris

Director of Insurance

SUBJECT CATEGORY 010 - All/unspecified lines

300 - The policy

400 - Insurance representatives

700 - Trade practices

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