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## Enacted Law Bulletin

January 12, 2017

<b>Topic:</b>	Ohio Enacts Bill Allowing Insurers to Challenge Reasonableness of Towing Bill
<b>Jurisdiction(s):</b>	Ohio
<b>Impact:</b>	Auto--Commercial, Auto--Nonstandard, Auto--Personal, Auto--Residual Market
<b>Effective Date:</b>	April 5, 2017
<b>Bill Number:</b>	House Bill 341
<b>PCI Legislative Analyst:</b>	Carol Emory 847-553-3805 <a href="mailto:carol.emory@pciaa.net">carol.emory@pciaa.net</a>
<b>PCI Regional Manager:</b>	Jeffrey Junkas 847-553-3678 <a href="mailto:jeffrey.junkas@pciaa.net">jeffrey.junkas@pciaa.net</a>

### Overview

Ohio has enacted House Bill 341 allowing insurance companies to file a civil action against a towing service for the amount billed by the towing service. The bill also requires the Public Utilities Commission to establish towing and storage fees and to review those fees every five years. The bill was signed by the governor on January 4, 2017, and will be effective approximately April 5, 2017.

### Significant Provisions

The bill creates OH ST s 4513.70, which authorizes an insurance company to file a civil action against a towing service seeking the recovery of a motor vehicle that has been towed and for which a claim has been filed with the insurance company, objecting to the amount billed by the towing service, or both. The action may be filed on behalf of the insurance company, on behalf of the automobile insurance policyholder, or on behalf of the motor vehicle owner. The action must be filed in the municipal or county court with territorial jurisdiction over the location from which the vehicle was towed within 30 days of receipt of the towing service's bill. If the insurer objects to the amount billed, the complaint must include the amount that is undisputed and the reasons the remainder is disputed. Along with the complaint, the insurer must file a copy of the bill and any evidence supporting its assertion that the billed amount is unreasonable. If the insurer seeks the recovery of the vehicle, the company must pay the undisputed amount to the towing service.

The towing service must release the vehicle upon receipt of payment of the undisputed amount of the bill and no later than 2 business days after receiving service of the complaint. The bill allows the court to impose a penalty to the towing service if it fails to release the vehicle.

The court is required to make a determination as to whether the amount charged is unreasonable. If the court determines the amount is reasonable, the court must order the insurer to pay the amount billed minus the undisputed amount already paid. If the court determines the amount charged was unreasonable, the court must determine a reasonable amount and order the insurer to pay that minus any undisputed amount already paid.

The bill also replaces the statutorily prescribed maximum fees for the removal and storage of a vehicle towed from private property or a private tow-away zone with maximum fees to be established by the Public Utilities Commission by rule. The Public Utilities Commission is required to review the fees every 5 years, making changes as required.

### Attachment

A copy of House Bill 341 is available as an attachment on the PCI website.

### Related Information

[OH H 341.pdf](#)