



Ohio Revised Code

Section 3903.27 Transfers made after filing of complaint.

Effective: March 7, 1983

Legislation: House Bill 830 - 114th General Assembly

(A) After a complaint for rehabilitation or liquidation has been filed, a transfer of any of the real property of the insurer made to a person acting in good faith is valid against the rehabilitator or liquidator if made for a present fair equivalent value, or, if not made for a present fair equivalent value, then to the extent of the present consideration actually paid therefor, for which amount the transferee has a lien on the property so transferred. The commencement of a proceeding for rehabilitation or liquidation is constructive notice upon the filing of the complaint in the court of common pleas, or upon the filing under Civil Rule 3(F) of a certified copy of the complaint with the clerk of the court of common pleas, of the county in which any real property or tangible property of the insurer is located. The exercise of jurisdiction by a court of the United States or any state to authorize or effect a judicial sale of real property of the insurer within any county in any state shall not be impaired by the pendency of such a proceeding unless the complaint or a certified copy of the complaint is filed in the county prior to the consummation of the judicial sale.

(B) After a complaint for rehabilitation or liquidation has been filed and before either the rehabilitator or liquidator takes possession of the property of the insurer or an order of rehabilitation or liquidation is granted:

(1) A transfer of any of the property of the insurer, other than real property, made to a person acting in good faith shall be valid against the rehabilitator or liquidator if made for a present fair equivalent value, or, if not made for a present fair equivalent value, then to the extent of the present consideration actually paid therefor, for which amount the transferee shall have a lien on the property so transferred.

(2) A person indebted to the insurer or holding property of the insurer may, if acting in good faith, pay the indebtedness or deliver the property, or any part thereof, to the insurer or upon his order, with the same effect as if the complaint were not pending.

(3) A person having actual knowledge of the pending rehabilitation or liquidation shall be deemed



not to act in good faith.

(4) A person asserting the validity of a transfer under this section has the burden of proof. Except as elsewhere provided in this section, no transfer by or on behalf of the insurer after the date of the complaint for rehabilitation or liquidation by any person other than the rehabilitator or liquidator is valid against the rehabilitator or liquidator.

(C) Nothing in sections 3903.01 to 3903.59 of the Revised Code shall be construed to impair the negotiability of currency or negotiable instruments.