



Ohio Revised Code

Section 3921.08 Nonindividual liability - indemnification or reimbursement.

Effective: January 1, 1997

Legislation: House Bill 468 - 121st General Assembly

(A) The officers and members of the supreme governing body or any subordinate body of a fraternal benefit society are not personally liable for any benefits provided by a society.

(B)(1) A person may be indemnified and reimbursed by a society for expenses reasonably incurred by, and liabilities imposed upon, the person in connection with or arising out of any civil, criminal, administrative, or investigative action, suit, or other proceeding, or any threat of such a proceeding, in which the person is involved by reason of the fact that the person served or is serving as a director, officer, employee, or agent of the society or that the person served or is serving, at the request of the society, as a director, officer, employee, or agent of any other firm, corporation, or organization.

(2) A person shall not be indemnified or reimbursed in accordance with division (B)(1) of this section in relation to any matter as to which the person is ultimately adjudged to be or to have been civilly or criminally liable for a breach of duty as a director, officer, employee, or agent of the society or to any matter that has been made the subject of a compromise settlement, unless the person acted in good faith for a purpose the person reasonably believed to be in or not opposed to the best interests of the society and, if it is a criminal proceeding, the person had no reasonable cause to believe that the person's conduct was unlawful.

(3) The determination as to whether a person meets the standards of conduct set forth in division (B)(2) of this section to qualify for indemnification and reimbursement shall only be made by the supreme governing body, the board of directors by a majority vote of a quorum consisting of persons who were not parties to the proceeding, or a court of competent jurisdiction. The termination of any such action, suit, or other proceeding by judgment, order, settlement, or conviction, or upon a plea of no contest, shall not, in itself, create a conclusive presumption that the person does not meet the standards of conduct required to qualify for indemnification and reimbursement.

(4) The right of indemnification and reimbursement shall not be exclusive of other rights to which a person may be entitled as a matter of law, and shall inure to the benefit of the person's heirs,



executors, and administrators.

(C) A society may purchase and maintain insurance on behalf of any person who served or is serving as a director, officer, employee, or agent of the society, or who served or is serving, at the request of the society, as a director, officer, employee, or agent of any other firm, corporation, or organization, against any liability imposed upon, or expenses incurred by, the person in that capacity or arising out of that position, whether or not the society may, under division (B) of this section, indemnify and reimburse the person for such liability or expenses.

(D) No director, officer, employee, member, or volunteer of a society, who serves without compensation, shall be liable, and no cause of action shall be brought, for damages resulting from the exercise of the person's judgment or discretion in connection with the duties or responsibilities of the person, unless the act or omission involves willful or wanton misconduct.