



Ohio Revised Code

Section 5809.031 Duties of a trustee with respect to the acquisition, retention, or ownership of a life insurance policy.

Effective: March 22, 2013

Legislation: House Bill 247 - 129th General Assembly

(A) Notwithstanding any other provision of the Ohio Uniform Prudent Investor Act, unless otherwise provided by the terms of the trust, the duties of a trustee with respect to the acquisition, retention, or ownership of a life insurance policy as a trust asset do not include any of the following duties:

(1) To determine whether the policy is or remains a proper investment;

(2) To diversify the investment in the policy relative to any other life insurance policies or to any other trust assets;

(3) To exercise or not to exercise any option, right, or privilege available under the policy, including the payment of premiums unless there is sufficient cash or there are other readily marketable trust assets from which to pay the premiums or there are other trust assets that were designated by the settlor or any other person transferring those assets to the trust to be used for that purpose, regardless of whether that exercise or nonexercise results in the lapse or termination of the policy;

(4) To investigate the financial strength or changes in the financial strength of the life insurance company maintaining the policy;

(5) To inquire about changes in the health or financial condition of the insured or insureds under the policy.

(B) The trustee, the attorney who drafted a trust, or any person who was consulted with regard to the creation of a trust, in the absence of fraud, is not liable to the beneficiaries of the trust or to any other person for any loss arising from the absence of the duties specified in divisions (A)(1) to (5) of this section.



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(C) Unless otherwise provided by the terms of the trust, this section applies to a trust established before, on, or after March 22, 2012, and to a life insurance policy acquired, retained, or owned by a trustee before, on, or after March 22, 2012.
