



Ohio Revised Code

Section 3964.1710 Incorporation of other insurance companies as captive cell; approval of superintendent.

Effective: September 17, 2014

Legislation: House Bill 117 - 130th General Assembly

(A) Any insurance company organized under Chapter 3925. of the Revised Code, and any captive insurance company that is not a protected cell captive insurance company, may become a protected cell of a protected cell captive insurance company, with the approval of the superintendent.

(B)(1) A protected cell of a protected cell captive insurance company may apply to the superintendent to be incorporated as an insurance company, including a captive insurance company subject to the requirements of this chapter, independent from the protected cell captive insurance company of which it is currently a part.

(2) If a protected cell is licensed as an independent insurance company, then all of the following apply:

(a) All property and rights to which the protected cell was entitled immediately before its licensure as a new entity shall remain the property and rights of the new entity.

(b) The protected cell shall remain subject to all criminal and civil liabilities and all contracts, debts, and other obligations to which the protected cell was subject immediately before its licensure as a new entity.

(c) All contracts, debts, and other obligations of the protected cell shall remain the contracts, debts, and other obligations of the new entity.

(d) All actions and other legal proceedings that, immediately before the licensure of the protected cell as a new entity, were pending by or against the protected cell may be continued by or against the new entity.

(C) An application made under division (B) of this section shall be approved by two-thirds of the



participants of the protected cell or, if the protected cell has more than one class of participants, two-thirds of each class of participant, unless the organizational document of the protected cell requires a greater percentage.

(D)(1) If a protected cell makes an application under division (B) of this section, any participant of the protected cell who objects to the protected cell being incorporated as an independent insurance company may petition the superintendent for an order denying the application on the grounds that the incorporation, or the terms of the incorporation, unfairly prejudice the interests of the participant.

(2) Such a petition shall be made within thirty days after an application has been made under division (B) of this section.

(E) The operation of division (B)(2) of this section shall not be regarded as any of the following:

(1) A breach of contract;

(2) A breach of any contractual provision prohibiting, restricting, or regulating the assignment or transfer of rights or liabilities;

(3) Giving rise to any remedy by a party to a contract or other instrument as an event of default under the contract or other instrument or as causing or permitting the termination of any contract, other instrument, obligation, or relationship.