



Ohio Revised Code

Section 1701.881 Notice of rejection of claim; offer of security.

Effective: May 4, 2012

Legislation: House Bill 48 - 129th General Assembly

(A) A corporation that has given notice under division (A) of section 1701.87 of the Revised Code may reject, in whole or in part, any matured claim made by a claimant by sending notice of the rejection by certified or registered mail, return receipt requested, to the claimant within ninety days after receipt of the claim and at least thirty days before the expiration of the five-year period specified in division (A) of section 1701.88 of the Revised Code. A notice sent pursuant to this section shall include or be accompanied by a copy of this division and of section 1701.89 of the Revised Code. A claim against a corporation is barred if a claimant whose claim is rejected by the corporation does not commence an action to enforce the claim within thirty days after the corporation mails the rejection notice.

(B) A corporation that has given notice under division (A) of section 1701.87 of the Revised Code may offer security to any claimant whose claim is contingent, conditional, or unmatured as the corporation determines is sufficient to provide compensation to the claimant if the claim matures. The corporation shall send the corporation's offer to the claimant by certified or registered mail, return receipt requested, within ninety days after receipt of the claim and at least thirty days before the expiration of the five-year period specified in division (A) of section 1701.88 of the Revised Code. A notice sent pursuant to this section shall include or be accompanied by a copy of this division and of section 1701.89 of the Revised Code. If the claimant offered the security does not deliver to the corporation a written notice rejecting the offer within thirty days after the corporation mails the offer for security, the claimant shall be deemed to have accepted the security as the sole source from which to satisfy claimant's claim against the corporation.

(C) A corporation that has given notice under division (A) of section 1701.87 of the Revised Code may file an application with the court having jurisdiction under section 1701.89 of the Revised Code for a determination of the amount and form of insurance or other security that satisfies both of the following requirements:

(1) The insurance or other security will be sufficient to provide compensation to any claimant who



has rejected the offer for security made pursuant to this section.

(2) The insurance or other security will be reasonably likely to be sufficient to provide compensation for claims that have not been made known to the corporation or that have not arisen but that, based on the facts known to the corporation, are likely to arise or to become known to the corporation within five years after the date of dissolution or such longer period of time as the directors or a court acting under section 1701.89 of the Revised Code may determine, not to exceed ten years after the date of dissolution.