



## Ohio Revised Code

### Section 3925.17 Restriction on dividends - liability of directors.

Effective: October 1, 1953

Legislation: House Bill 1 - 100th General Assembly

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No fire insurance company organized under a law of this state shall declare or pay any dividend which impairs its capital or capital stock, nor while its capital or capital stock is impaired, nor shall any such corporation declare or pay any dividend or make any distribution of assets to any of its stockholders, whether upon a reduction of the number of its shares or of its capital or capital stock, unless the value of its assets remaining after the payment of such dividend, or after such distribution of assets, is at least equal to the aggregate amount of its debts and liabilities including capital or capital stock.

In case any such dividend is paid or any such distribution of assets made, the directors in whose administration the same is declared or made, except those who have caused their dissent therefrom to be entered upon the minutes of the directors' meetings at the time, or who were not present when such action was taken, shall be liable jointly and severally to such corporation, and to the creditors thereof, to the full amount of any loss sustained by such corporation or by its creditors by reason of such dividend or distribution.

A dividend made contrary to this section shall subject the company which makes it to a forfeiture of its charter, and each stockholder who receives such dividend to a liability to the creditors of the company to the extent of the dividend received, besides any other penalties and punishments prescribed by law.

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