



Ohio Revised Code

Section 3964.179 Transfer of protected cells.

Effective: September 17, 2014

Legislation: House Bill 117 - 130th General Assembly

(A) A protected cell of a protected cell captive insurance company may be transferred to another protected cell captive insurance company.

(B) The protected cell captive insurance companies between which a protected cell is being transferred shall enter into a written agreement that sets forth the terms of the transfer.

(C) A transfer of a protected cell shall be approved by the superintendent when all of the following are met:

(1) The board of directors of each protected cell captive insurance company involved in the transfer have approved the transfer.

(2) The transfer agreement is approved by the superintendent as an arrangement in accordance with this chapter.

(3) One of the following applies:

(a) The transfer agreement is consented to by at least two-thirds of the participants of the protected cell being transferred and all the creditors, if any, of that protected cell.

(b) If the agreement of all the creditors of the protected cell cannot be obtained, the superintendent may approve the transfer upon being satisfied that no creditor of the protected cell will be materially prejudiced by the transfer.

(D) Within thirty days after a transfer agreement is approved by the superintendent, the protected cell captive insurance company to which the protected cell is being transferred shall deliver both of the following to the superintendent:



- (1) A copy of the executed transfer agreement;
- (2) A declaration signed by the directors of the protected cell captive insurance company transferring the protected cell stating that each director has reason to believe all of the following:
 - (a) The protected cell being transferred is able to discharge its liabilities as they become due.
 - (b) There are no creditors of the protected cell captive insurance company from which the protected cell is being transferred whose interests will be unfairly prejudiced by the transfer.
 - (c) The transfer agreement has been approved in accordance with this chapter.
- (E) If a protected cell captive insurance company fails to deliver the documents required under division (D) of this section within the required thirty-day period, the superintendent may void the transfer.
- (F) The superintendent may void a transfer and order the removal of any director who makes a declaration under division (D)(2) of this section without having the grounds to do so.
- (G) Upon fulfillment of the requirements of division (D) of this section, the superintendent shall do all of the following:
 - (1) Record the transfer of the protected cell;
 - (2) Issue to the protected cell a new license;
 - (3) Record that the protected cell has ceased to be a protected cell of the protected cell captive insurance company from which it was transferred.
- (H) Upon the issuance of the new license under this section all of the following shall apply:
 - (1) The protected cell shall cease to be a protected cell of the protected cell captive insurance company from which it was transferred.



(2) The protected cell becomes a protected cell of the protected cell captive insurance company to which it has been transferred.

(3) All of the following shall apply:

(a) All property and rights to which the protected cell was entitled immediately before the issue of the new license shall remain the property and rights of the protected cell.

(b) All liabilities, contracts, debts, and other obligations to which the protected cell was subject immediately before the issue of the new license shall remain the liabilities, contracts, debts, and other obligations of the protected cell.

(c) All actions and other legal proceedings that were pending by or against a protected cell immediately before the issue of the new license may be continued by or against the protected cell.

(I) The operation of division (H) of this section shall not be regarded as any of the following:

(1) A breach of contract or otherwise as a civil wrong;

(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 any contract or other instrument or as causing or permitting the termination of any contract, other instrument, obligation, or relationship.

(J) Except as provided in this section, a protected cell shall not be transferred if the transfer would be inconsistent with the articles of incorporation, bylaws, code of regulations, or similar organizational document of the protected cell, the protected cell captive insurance company transferring the protected cell, or the protected cell captive insurance company to which the protected cell is to be transferred.