



## Ohio Revised Code

### Section 9.87 Indemnification of public officers and employees.

Effective: March 31, 2005

Legislation: House Bill 316 - 125th General Assembly

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(A) The state, except as provided in division (B) of this section, shall indemnify an officer or employee from liability incurred in the performance of official duties by paying any judgment in, or amount negotiated in settlement of, any civil action arising under federal law, the law of another state, or the law of a foreign jurisdiction. The reasonableness of the amount of any consent judgment or settlement is subject to the review and approval of the attorney general and of the director, administrative chief, or governing body of the employer of the officer or employee who is to be indemnified. The maximum aggregate amount of indemnification paid directly from state funds to or on behalf of any officer or employee pursuant to this division shall be one million dollars per occurrence, regardless of the number of persons who suffer damage, injury, or death as a result of the occurrence.

(B) The state shall not indemnify an officer or employee under any of the following circumstances:

(1) To the extent the officer or employee is covered by a policy of insurance for civil liability purchased by the state;

(2) When the officer or employee acts manifestly outside the scope of the officer's or employee's employment or official responsibilities, with malicious purpose, in bad faith, or in a wanton or reckless manner, as determined by the employer of the officer or employee or by the attorney general.

(3) For any portion of a judgment that represents punitive or exemplary damages, except that this prohibition does not apply if the employer of the officer or employee and the attorney general determine that the acts or omissions of the officer or employee were not within the terms of division (B)(2) of this section;

(4) For any portion of a consent judgment or settlement that is unreasonable.



(C) The director of administrative services may purchase a policy or policies of insurance on behalf of officers and employees of the state from an insurer or insurers licensed to do business in this state providing coverage for amounts in excess of one million dollars per occurrence incurred in connection with any civil action, demand, or claim against the officer or employee by reason of an act or omission by the officer or employee occurring in the performance of the officer's or employee's duties and not coming within the terms of division (B)(2) of this section.

(D) This section does not affect any of the following:

(1) The waiver arising under division (A)(1) of section 2743.02 of the Revised Code;

(2) Any defense that would otherwise be available in an action alleging personal liability of an officer or employee;

(3) The operation of section 9.83 of the Revised Code.

(E) The indemnification of officers or employees against judgments or settlements pursuant to this section shall be accomplished only through the following procedure:

(1) If the employer of the defendant officer or employee to be indemnified determines that the actions or omissions of its officer or employee giving rise to the claim were not within the terms of division (B)(2) of this section, an indemnity agreement shall be prepared by the attorney general, specifying that the employer will indemnify the officer or employee from a particular judgment that has been rendered or a particular settlement amount that has been negotiated. The agreement shall name the person or entity to whom payment by the state of the judgment or settlement amount will be made, and the agreement shall not be effective until it is approved by the officer or employee to be indemnified, the director, administrative chief, or other governing body of the employer, and by the attorney general. The attorney general shall approve the indemnity agreement, unless the attorney general finds that division (B) of this section prohibits the state from indemnifying the officer or employee, or prohibits the state from indemnifying the officer or employee for a portion of a judgment or settlement and the indemnity agreement would indemnify the officer or employee for all or a part of that portion.



(2) The attorney general shall forward a copy of the agreement to the director of budget and management.

(3) Any indemnification paid shall be charged by the director of budget and management against available unencumbered moneys in the appropriations of the employer of the officer or employee to be indemnified. The director of budget and management shall have sole discretion to determine whether or not unencumbered moneys in a particular appropriation are available for payment of the indemnification.

(4) The director of budget and management shall, upon receipt of the agreement from the attorney general pursuant to division (E)(2) of this section, provide for payment to the person or entity named in the agreement, in the amount specified in the agreement.

(5) If the director of budget and management determines that sufficient unencumbered moneys do not exist in the particular appropriations to pay the indemnification, the director shall make application for payment of the indemnification out of the emergency purposes account or any other appropriation for emergencies or contingencies, and payment out of this account or other appropriation shall be authorized if there are sufficient moneys greater than the sum total of then pending emergency purposes account requests, or requests for releases from the other appropriation.

(6) If sufficient moneys do not exist in the emergency purposes account or any other appropriation for emergencies or contingencies to pay the indemnification, the employer named in the agreement shall request the general assembly to make an appropriation sufficient to pay the indemnification, and no payment shall be made until the appropriation has been made. The employer shall make this appropriation request during the current biennium and during each succeeding biennium until a sufficient appropriation is made.

(7) If the indemnification is to be made by an employer whose funds are not handled by the director of budget and management, the employer shall pay the person or entity named in the agreement.

If the employer determines that sufficient unencumbered moneys do not exist to pay the indemnification, the employer shall make application for payment of the indemnification out of the emergency purposes account or any other appropriation for emergencies or contingencies, and



payment out of this account or other appropriation shall be authorized if there are sufficient moneys greater than the sum total of then pending emergency purposes account requests, or requests for releases from the other appropriation.

If sufficient moneys do not exist in the emergency purposes account or any other appropriation for emergencies or contingencies to pay the indemnification, the employer named in the agreement shall request the general assembly to make an appropriation sufficient to pay the indemnification, and no payment shall be made until such an appropriation has been made. The employer shall make this appropriation request during the current biennium and during each succeeding biennium until a sufficient appropriation is made.

(F)(1) Subject to division (F)(2) of this section, if an employer or the attorney general fails to approve indemnification or limits indemnification of an officer or employee of the employer, the officer or employee may commence an action against the employer in the court of claims pursuant to sections 2743.01 to 2743.20 of the Revised Code to prove that the officer or employee is entitled to indemnification pursuant to division (A) of this section and that division (B) of this section does not prohibit or limit the officer's or employee's indemnification and seeking either a judgment against the employer for a sum of money that the officer or employee has paid to satisfy a judgment or settlement or an order directing the employer to pay a judgment or settlement against the officer or employee that has not been satisfied. Section 109.365 of the Revised Code does not prohibit any information obtained by the attorney general in the attorney general's investigation conducted pursuant to division (A) of section 109.362 of the Revised Code to determine whether to defend the officer or employee from being admitted as evidence in any action brought pursuant to this section.

An action brought pursuant to division (F)(1) of this section shall be commenced no later than two years after the cause of action arising under division (F)(1) of this section accrues. A cause of action arising under this section accrues upon the entry of a money judgment against the officer or employee if the time for filing an appeal in the action lapses without the filing of an appeal, upon the conclusion of the final appeal in any action in which a money judgment is entered against the officer or employee if an appeal is filed in the action, or upon execution of any settlement agreement requiring payment of money by the officer or employee.

(2) Notwithstanding division (F)(1) of this section, an officer or employee may not commence an



action against the employer in the court of claims or in any other court regarding a refusal of the employer or the attorney general to indemnify punitive or exemplary damages pursuant to this section.