

31A-27a-112 Unrecorded obligations and defenses of affiliates.

- (1) This section applies to a person who in relation to an insurer is:
 - (a) an affiliate;
 - (b) a controlled or controlling person; or
 - (c) a present or former officer, manager, director, trustee, or shareholder.
- (2) In a proceeding or claim by the receiver, a person described in Subsection (1) may not assert a defense unless evidence of the defense:
 - (a) is recorded in the records of the insurer at or about the time the event giving rise to the defense occurs; and
 - (b) if required by statutory accounting practices and procedures, is timely reported on the insurer's official financial statements filed with the commissioner.
- (3) A person described in Subsection (1) may not assert a claim, unless the obligation:
 - (a) is recorded in the records of the insurer at or about the time the obligation is incurred; and
 - (b) if required by statutory accounting practices and procedures, is timely reported on the insurer's official financial statements filed with the commissioner.
- (4) A claim by the receiver against a person described in Subsection (1) that is made on the basis of an unrecorded or unreported transaction is not barred by this section.

Enacted by Chapter 309, 2007 General Session