



House of Representatives *State of Utah*

W030 STATE CAPITOL COMPLEX • P.O. BOX 145030
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February 9, 2005

Mr. Speaker:

The Business and Labor Committee reports a favorable recommendation on **H.B. 263**, INSURERS REHABILITATION AND LIQUIDATION, by Representative J. Dougall, with the following amendments:

1. *Page 1, Lines 15 through 16:*

- 15 ▶ addresses payments by reinsurers; =
 ▶ clarifies the application of the bill to liquidation proceedings instituted before July 1, 2007; and
16 ▶ makes technical changes.

2. *Page 1, Lines 19 through 20:*

- 19 Other Special Clauses:
20 {~~None~~} This bill takes effect on July 1, 2007

3. *Page 2, Lines 42 through 45:*

- 42 (c) An estimation made pursuant to this section:
43 (i) {~~(A)~~} shall be made =
 (A) in a commercially reasonable and actuarially sound manner[;]; or
44 (B) upon another accepted and verifiable method of determining, proving, and
45 allowing contingent, unliquidated, or immature claims with reasonable certainty; and

4. *Page 2, Lines 52 through 54:*

- 52 (2) Contingent, unliquidated, and immature claims shall not share in any distribution
 to
53 creditors of an insurer under Section 31A-27-336 until the liability, value, and due date of
 the
54 claims have been proved, allowed, and adjudicated.

Bill Number



HB0263

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(3) A liquidation proceeding instituted before July 1, 2007 shall be administered in accordance with the law in effect before July 1, 2007.

5. *Page 5, Lines 131 through 132:*

131 (4) The obligation of a reinsurer to make payments to the insurer shall be
determined

132 on the basis of reported claims that have been allowed pursuant to Section 31A-27-336.

(5) A liquidation proceeding instituted before July 1, 2007 shall be administered in accordance with the law in effect before July 1, 2007.

Section 3. Effective Date

This bill takes effect on July 1, 2007.

Respectfully,

Stephen D. Clark
Committee Chair

Voting: 8-3-2

3 HB0263.HC1.WPD 2/9/05 10:50 am msteinagel/MBS PO/MBS

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