

31A-25-304 Liability of the insurer if administrator receives premium.

If an insurer utilizes the services of a third party administrator under the terms of a written agreement, as required under this chapter, the payment to the third party administrator of any premiums for insurance by or on behalf of the insured is considered as having been received by the insurer. However, the payment of return premiums or claims by the insurer to the third party administrator is not payment to the insured or claimant. This chapter does not limit any right of the insurer against a third party administrator resulting from the third party administrator's failure to make payments to the insurer, insureds, or claimants.

Enacted by Chapter 242, 1985 General Session