

**31A-27a-115 Approval and payment of expenses.**

- (1) The receiver may pay an expense under a contract, lease, employment agreement, or other arrangement entered into by the insurer before receivership, as the receiver considers necessary for the purposes of this chapter. The receiver:
  - (a) is not required to pay an expense described in this Subsection (1) that the receiver determines is not necessary; and
  - (b) may reject a contract pursuant to Section 31A-27a-113.
- (2) Receivership expenses other than those described in Subsection (1) shall be paid as follows:
  - (a) unless the court orders otherwise in the rehabilitation or liquidation order, the receiver may submit a motion pursuant to Section 31A-27a-107 to the receivership court to approve:
    - (i) the terms of compensation of each special deputy or contractor; or
    - (ii) any other expense in excess of an amount established by this chapter;
  - (b) the receiver may, as the receiver considers appropriate, submit a motion to approve any other compensation, anticipated expense, or incurred expense not described in Subsection (2)(a);
  - (c) the receiver may pay as incurred:
    - (i) an expense not requiring receivership court approval; and
    - (ii) an expense approved in the rehabilitation or liquidation order; and
  - (d) the approval of an expense by the receivership court may not prejudice the right of the receiver to seek recovery, recoupment, disgorgement, or reimbursement of a fee based on contract or a cause of action recognized in law or in equity.
- (3) On an annual or more frequent basis, the receiver shall submit to the receivership court a report summarizing the expenses incurred in the prior period.
- (4) Receivership court approval is not required to pay expenses incurred by the receiver in connection with the appeal of an order of the receivership court.
- (5) All expenses of receivership shall be paid from the assets of the insurer, except as provided in this Subsection (5).
  - (a) If the property of the insurer does not contain sufficient cash or liquid assets to defray the expenses incurred, the commissioner may advance funds from the account established under Subsection 31A-27a-705(3).
  - (b) An amount advanced shall be repaid to the account out of the first available money of the insurer.

Enacted by Chapter 309, 2007 General Session