

31A-27a-703 Partial and final distributions of assets.

- (1)
 - (a) With the approval of the receivership court, a liquidator may declare and pay:
 - (i) one or more partial distributions on claims as those claims are allowed; and
 - (ii) a final distribution.
 - (b) All claims allowed within a priority class shall be paid at substantially the same percentage.
 - (c) A distribution under this section to a guaranty association is not an advance under Section 31A-27a-704.
- (2) In determining the percentage of distributions to be paid on a claim, the liquidator may consider:
 - (a) the estimated value of the insurer's property, including estimated reinsurance recoverables in connection with the insurer's estimated liabilities for:
 - (i) unpaid losses and loss expenses; and
 - (ii) incurred but not reported losses and loss expenses; and
 - (b) the estimated value of the insurer's liabilities, including estimated liabilities for:
 - (i) unpaid losses and loss expenses; and
 - (ii) incurred but not reported losses and loss expenses.
- (3) Distribution of property in kind may be made at valuations set by agreement:
 - (a) between the liquidator and the creditor; and
 - (b) as approved by the receivership court.
- (4)
 - (a) Notwithstanding Subsection (1) and Part 6, Claims, the liquidator may pay benefits under a workers' compensation policy after the day on which the liquidation order is entered if:
 - (i) there is an acceptance of liability by the insurer, and no bona fide dispute exists;
 - (ii) payment is commenced before the entry of the liquidation order; and
 - (iii) future or past indemnity or medical payments are due.
 - (b) A claim payment under this Subsection (4) may continue until the applicable guaranty association:
 - (i) assumes responsibility for the claim payments; or
 - (ii) determines the claim is not a covered claim under its guaranty association law.
 - (c) A claim payment or related expense made under this Subsection (4) may be treated as early access distribution under Section 31A-27a-704 in accordance with an agreement with the guaranty association responsible for the payment.

Enacted by Chapter 309, 2007 General Session