

31A-27a-902 Domiciliary receivers appointed in other states.

- (1)
 - (a) A domiciliary receiver appointed in another state is vested by operation of law with title to, and may summarily take possession of, all property and records of the insurer in this state.
 - (b) Notwithstanding any other provision of law regarding special deposits, a special deposit held in this state for a guaranty association in this state as the only beneficiary shall be, upon the entry of an order of liquidation with a finding of insolvency, distributed to the guaranty association in this state as early access distributions, subject to Section 31A-27a-704, in relation to the lines of business for which the special deposit is made.
 - (c) The holder of a special deposit shall account to the domiciliary receiver for all distributions from the special deposit at the time of the distribution.
 - (d) The following shall be given full faith and credit in this state:
 - (i) a statutory provision of another state;
 - (ii) an order entered by a court of competent jurisdiction in relation to the appointment of a domiciliary receiver of an insurer; and
 - (iii) a related proceeding in another state.
 - (e) For purposes of this chapter, another state means any state other than this state.
 - (f) This state shall treat all foreign states as reciprocal states.
- (2) The commissioner shall immediately transfer title to and possession of all property of the insurer under the commissioner's control to a domiciliary receiver:
 - (a) upon appointment of the domiciliary receiver in another state;
 - (b) unless otherwise agreed by the domiciliary receiver; and
 - (c) including all statutory general or special deposits other than special deposits where that state's guaranty association is the only beneficiary.
- (3)
 - (a) Except as provided in Subsection (1), the domiciliary receiver shall handle a special deposit or special deposit claim in accordance with the statutes pursuant to which the special deposit is required and applicable federal law.
 - (b) All amounts in excess of the estimated amount necessary to administer the special deposit and pay the unpaid special deposit claims shall be considered general assets of the estate.
 - (c)
 - (i) Subject to Subsection (3)(c)(ii), if there is a deficiency in a special deposit so that a claim secured by the special deposit is not fully discharged from the special deposit, the claimant may share in the general assets of the insurer to the extent of the deficiency at the same priority as other claimants in the claimant's class of priority under Section 31A-27a-701.
 - (ii) The sharing described in Subsection (3)(c)(i) shall be deferred until the other claimants of the class are paid percentages of their claims equal to the percentage paid from the special deposit.
 - (iii) The intent of Subsection (3)(c)(ii) is to equalize to the extent provided in this Subsection (3) the advantage gained by the security provided by the special deposit.

Enacted by Chapter 309, 2007 General Session