



# House of Representatives *State of Utah*

W030 STATE CAPITOL COMPLEX • P.O. BOX 145030  
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January 30, 2007

Mr. Speaker:

The Business and Labor Committee reports a favorable recommendation on **H.B. 340**, INSURER RECEIVERSHIP ACT, by Representative J. Dunnigan, with the following amendments:

1. *Page 128, Lines 3954 through 3958:*

3954 (ii) in addition to paying other Class 1 claims described in Subsection 31A-  
27a-701(2)(a), if the payment assists or results in the collection or recovery of  
property of the insurer that provides a net benefit to creditors of the estate, pay  
Class 1 administrative costs of the estate:  
3955 {~~(A)~~ at the liquidator's sole discretion;}  
3956 {~~(B)~~ } (A) upon approval of the receivership court; and  
3957 {~~(C)~~ where the payment assists or results in the collection or recovery of  
property of the  
3958 insurer that provides a net benefit to creditors of the estate;}  
(B) only to the extent of the collection or recovery of the property;

2. *Page 196, Lines 6068 through 6072:*

6068 {~~(d)~~} (e) "Other secured obligation" means an obligation, such as a  
reinsurance or  
6069 retrospective premium obligation, that is:  
6070 (i) payable by the insured to the insurer; and  
6071 (ii) secured by collateral that also secures a deductible obligation.  
6072 {~~(e)~~} (f) "Uncovered claim" means a deductible claim that is secured by  
collateral but that:

3. *Page 199, Lines 6148 through 6149:*

6148 (iii) Collateral may not be considered as a general asset of the estate, except as  
6149 provided in Subsections {~~(6)(b)~~} (5)(c) and (8).

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4. Page 200, Lines 6168 through 6169:

6168 (e) (i) The receiver shall first apply or reserve collateral to the insured's obligations  
6169 referenced in ~~{Subsection (6)(b)}~~ Subsections (5)(c)(i)(A) and (C) .

5. Page 203, Line 6277:

6277 timely manner.

(10) This section modifies Subsection 31A-22-1010(2)(b) to the extent necessary to permit an insured to participate in the payment of the insurance claims and losses by reimbursement of a receiver or affected guaranty association as provided in this section.

Respectfully,

Stephen D. Clark  
Committee Chair

Voting: 12-0-1

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