

**§4449. Stay of proceedings; reopening of default judgments**

All proceedings in which the insolvent insurer is a party or is obligated to defend a party in any court in this State shall be stayed for 60 days from the date the insolvency is determined, and may be stayed by the Superior Court for additional time solely as is deemed necessary to permit proper defense by the association of all pending causes of action. The association shall provide to the superintendent a copy of any such request for stay and supporting documents filed with the court. As to any covered claims arising from a judgment under any decision, verdict or finding based on the default of the insolvent insurer or its failure to defend an insured, the association either on its own behalf or on behalf of such insured may apply to have such judgment, order, decision, verdict or finding set aside by the same court or administrator that made such judgment, order, decision, verdict or finding and shall be permitted to defend against such claim on the merits. [PL 1985, c. 279, §8 (AMD).]

The liquidator, receiver or statutory successor of an insolvent insurer covered by this subchapter shall permit access by the board of directors, or its authorized representative, to those records of the insolvent insurer which are necessary for the board to carry out its functions under this subchapter with regard to covered claims. The liquidator, receiver or statutory successor shall provide the board or its representative with copies of these records upon request by the board and at the expense of the board. [PL 1987, c. 707, §12 (NEW).]

This section does not authorize a stay of proceedings before the Workers' Compensation Board, or of proceedings in Superior Court to enforce orders of the Workers' Compensation Board. A stay of workers' compensation proceedings before the Workers' Compensation Board or the Superior Court may be granted if otherwise authorized by law, provided that good cause for a stay exists and that reasonable diligence was exhibited by the insurer, the employer, the association and their counsel to proceed with the proceeding prior to the insolvency. [PL 1989, c. 67, §9 (NEW); PL 1991, c. 885, Pt. D, §2 (AMD).]

**SECTION HISTORY**

PL 1969, c. 561 (NEW). PL 1985, c. 279, §8 (AMD). PL 1987, c. 707, §12 (AMD). PL 1987, c. 707, §12 (NEW). PL 1989, c. 67, §9 (AMD). PL 1991, c. 885, §D2 (AMD).

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