

§4364. Conduct of delinquency proceedings against domestic insurers and certain alien insurers

1. Whenever under this chapter a receiver is to be appointed in delinquency proceedings for an insurer, the court shall appoint the superintendent as such receiver. The court shall order the superintendent forthwith to take possession of the assets of the insurer and to administer the same under the orders of the court.

[PL 1969, c. 132, §1 (NEW); PL 1973, c. 585, §12 (AMD).]

2. As a domiciliary receiver, the superintendent is vested by operation of law with the title to all of the property, contracts and rights of action and all of the books and records of the insurer, wherever located, as of the date of entry of the order directing the superintendent to rehabilitate or liquidate a domestic insurer or to liquidate the United States branch of an alien insurer domiciled in this State, and the superintendent has the right to recover the same and reduce the same to possession; except that ancillary receivers in reciprocal states have, as to assets located in their respective states, the rights and powers that are herein prescribed for ancillary receivers appointed in this State as to assets located in this State.

[RR 2021, c. 1, Pt. B, §356 (COR).]

3. The filing or recording of the order directing possession to be taken, or a certified copy thereof, in any office where instruments affecting title to property are required to be filed or recorded shall impart the same notice as would be imparted by a deed, bill of sale or other evidence of title duly filed or recorded.

[PL 1969, c. 132, §1 (NEW).]

4. The superintendent as domiciliary receiver is responsible for the proper administration of all assets coming into the superintendent's possession or control. The court may at any time require a bond from the superintendent or the superintendent's deputies, if considered desirable for the protection of such assets.

[RR 2021, c. 1, Pt. B, §357 (COR).]

5. Upon taking possession of the assets of an insurer, the domiciliary receiver shall immediately proceed to conduct the business of the insurer or to take such steps as are authorized by this chapter for the purpose of rehabilitating, liquidating or conserving the affairs or assets of the insurer.

[PL 1969, c. 132, §1 (NEW).]

6. In connection with delinquency proceedings, the superintendent may appoint one or more special deputy superintendents to act for the superintendent and the superintendent may employ such counsel, clerks and assistants as the superintendent considers necessary. The compensation of the special deputies, counsel, clerks or assistants and all expenses of taking possession of the insurer and of conducting the proceedings are fixed by the receiver and must be paid out of the funds or assets of the insurer. Within the limits of duties imposed upon them, special deputies possess all the powers given to and, in the exercise of those powers, are subject to all of the duties imposed upon the receiver with respect to such proceedings.

[RR 2021, c. 1, Pt. B, §358 (COR).]

7. During such receivership the superintendent shall file in the court, at regular intervals not less frequently than quarterly, the superintendent's true reports in summary form of the insurer's affairs under the receivership, and of progress being made in accomplishing the objectives of the receivership. All such reports, together with such additional or special reports as the court may reasonably require, are subject to review by the court; and all actions of the receiver therein reported are subject to the court's approval, but the court may not withhold approval or disapprove any such action unless found by the court after a hearing thereon in open court to be unlawful, arbitrary or capricious.

[RR 2021, c. 1, Pt. B, §359 (COR).]

SECTION HISTORY

PL 1969, c. 132, §1 (NEW). PL 1973, c. 585, §12 (AMD). RR 2021, c. 1, Pt. B, §§356-359 (COR).

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