

ARKANSAS SENATE
83rd General Assembly - Regular Session, 2001
Amendment Form

Subtitle of House Bill No. 2475

"AN ACT TO ADOPT THE NAIC INSURERS REHABILITATION AND LIQUIDATION
MODEL ACT."

Amendment No. 1 to House Bill No. 2475.

Amend House Bill No. 2475 as engrossed, H3/27/01:

Page 16, delete lines 4 through 7 and substitute the following:

"(f) Any guaranty association or group of guaranty associations which may be or become liable to act as a result of the rehabilitation or liquidation shall automatically have standing to intervene or otherwise appear and participate in any court proceeding concerning the rehabilitation or liquidation of an insurer to the same extent as if such association or group of associations has been designated as an original party of record. Exercise by a guaranty association of the standing rights conferred under this subsection shall not constitute a submission by such guaranty association to the general jurisdiction of the courts of the forum state."

AND

Page 74, delete lines 4 through 9 and substitute the following:

"to disburse assets out of marshaled assets to a guaranty association having obligations because of the insolvency."

AND

Page 74, delete lines 15 and 16 and substitute the following:

"(2) Initial disbursement of the assets marshaled to date, which shall be as soon as practicable and in any case not later than one hundred twenty (120) days after approval of the proposal to disburse assets, and subsequent disbursement of assets which shall be at least annually;"

AND

Page 74, line 25, delete "and"

AND

Page 74, delete line 29 and substitute the following:

"assets and any other matter as the court may direct; and
(6) Disbursements to associations in sums as large as possible,
subject to the limitations set forth in subsection (b)(1) and (c). If the
liquidator determines that there are insufficient assets to disburse at the
time of any required disbursement, the liquidator shall make application to
the court, with notice to state insurance commissioners and guaranty
associations pursuant to subsection (e) for approval of an intent not to
disburse stating the reasons for this determination."

AND

Page 74, line 32, delete "allocated loss adjustment expenses" and substitute "expenses payable in accordance with § 23-68-147(c)"

AND

Page 75, delete lines 1 and 2

AND

Page 79, line 10, delete "or"

And

Page 79, delete line 11 and substitute the following:

"(4) The estimation and allowance of a contingent claim under
this section shall not provide a basis to compel payment from a reinsurer of
estimated incurred but not reported losses and, except with respect to claims
made under subsection (c) of this section, outstanding reserves, unless the
reinsurance contract specifically provides for the payment of such losses or
reserves; or

(5) If the claim was immature as of the date established under"

AND

Page 81, line 30, insert an additional subsection to read as follows:

"(f) The provisions of this section are not intended to govern
determinations of disputed claims handled by guaranty associations as a part
of their statutory responsibilities."

AND

Page 86, delete lines 7 through 11 and substitute the following:
"incurred by guaranty associations, including but not limited"

AND

Page 86, delete lines 16 through 25 and substitute "exchanges or maintaining
policies in force."

AND

Page 87, line 1, delete "reasonable"

The Amendment was read the first time, rules suspended and read the second time and _____

By: Senator T. Smith

LH/RRS - 040320011557

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Secretary