

§4444. Prevention of insolvencies

To aid in the detection and prevention of insurer insolvencies: [PL 1969, c. 561 (NEW).]

1. Notification. The board of directors, upon majority vote, shall notify the superintendent of any information indicating that any member insurer may be insolvent or in a financial condition hazardous to policyholders or the public.

[PL 1969, c. 561 (NEW); PL 1973, c. 585, §12 (AMD).]

2. Examination. The board of directors may, upon majority vote, request that the superintendent order an examination of any member insurer which the board in good faith believes may be in a financial condition hazardous to policyholders or the public. Within 30 days of the receipt of such request, the superintendent shall begin such examination. The cost of the examination shall be paid by the association and the examination report shall be treated as are other examination reports. In no event shall the examination report, or any portion thereof, be released to the board of directors prior to its release to the public, but this shall not preclude the superintendent from complying with subsection 3. The superintendent shall notify the board of directors when the examination is completed. The request for an examination shall be kept on file by the superintendent but shall not be open to public inspection prior to the release of the examination report, or part thereof to the public, in accordance with section 227.

[PL 1969, c. 561 (NEW); PL 1973, c. 585, §12 (AMD).]

3. Report. The superintendent shall report to the board of directors when the superintendent has reasonable cause to believe that any member insurer examined or being examined at the request of the board of directors may be insolvent or in a financial condition hazardous to policyholders or the public. [RR 2021, c. 1, Pt. B, §389 (COR).]

4. Recommendations. The board of directors may, upon majority vote, make reports and recommendations to the superintendent upon any matter germane to the solvency, liquidation, rehabilitation or conservation of any member insurer. Such reports and recommendations shall not be considered public documents or be open to public inspection.

[PL 1969, c. 561 (NEW); PL 1973, c. 585, §12 (AMD).]

5. Prevention. The board of directors may, upon majority vote, make recommendations to the superintendent for the detection and prevention of insurer insolvencies.

[PL 1969, c. 561 (NEW); PL 1973, c. 585, §12 (AMD).]

6. Report. The board of directors shall, at the conclusion of any insurer insolvency in which the association was obligated to pay covered claims, prepare a report on the history and causes of such insolvency, based on the information available to the association, and submit such report to the superintendent.

[PL 1987, c. 707, §11 (AMD).]

SECTION HISTORY

PL 1969, c. 561 (NEW). PL 1973, c. 585, §12 (AMD). PL 1985, c. 279, §7 (AMD). PL 1987, c. 707, §11 (AMD). RR 2021, c. 1, Pt. B, §389 (COR).

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