

CHAPTER 59

Original Senate File No. 141

DISTRIBUTION OF INSURER'S ASSETS

AN ACT to amend W.S. 26-33-126(b) relating to distribution of an insolvent insurer's assets; establishing duties of the insurance commissioner; providing for distribution of assets to organizations in other states similar to the Wyoming Insurance Guaranty Association; and providing for an effective date.

Be It Enacted by the Legislature of the State of Wyoming:

Section 1. W.S. 26-33-126(b) is amended to read:

26-33-126. Priority of distribution of an insolvent insurer's assets.

(b) Upon the issuance of an order of liquidation with a finding of insolvency against a domestic company, the commissioner shall make application to the court requesting authority to disburse funds to the Wyoming Insurance Guaranty Association from time to time out of the company's marshaled assets as funds become available in amounts equal to disbursements made by the association for claims handling expense and covered claims obligations on the presentation of evidence that the disbursements have been made by the association. The commissioner shall:

(i) In the application request authority to make disbursements to similar organizations in other states provided the Wyoming Insurance Guaranty Association is entitled to like payment under the laws of the similar organization's state of domicile with respect to insolvent companies domiciled in that state;

(ii) In determining the amounts available for disbursements to the Wyoming Insurance Guaranty Association and similar organizations in other states, reserve sufficient assets for the payment of the expenses of administration;

(iii) Establish procedures for the ratable allocation of disbursements to the Wyoming Insurance Guaranty Association and similar organizations in other states; and

(iv) Secure from the Wyoming Insurance Guaranty Association and each eligible similar organization in other states as a condition to advances in reimbursement of covered claims obligations an agreement to return to the commissioner on demand funds previously advanced as may be required to pay claims of secured creditors and claims falling within the priorities established in paragraphs (a)(ii) and (iii) of this section in accordance with such priorities.

Section 2. This act is effective May 27, 1983.

Approved February 25, 1983.