

TITLE 4: ECONOMIC RESOURCES
DIVISION 7: INSURANCE

§ 7402. Definitions.

For the purpose of this chapter:

- (a) "Ancillary state" means any state other than a domiciliary state;
- (b) "Court" means the Commonwealth Trial Court;
- (c) "Delinquency proceeding" means any proceeding commenced against an insurer for the purpose of liquidating, rehabilitating, reorganizing, or conserving such insurer;
- (d) "Domiciliary state" means the state in which an insurer is incorporated or organized, or, in the case of an insurer incorporated or organized in a foreign country, the state in which such insurer, having become authorized to do business in such state, has, at the commencement of delinquency proceedings, the largest amount of its assets held in trust, and assets held on deposit for the benefit of its policyholders and creditors in the United States; and any such insurer is deemed to be domiciled in such state;
- (e) "Foreign country" means territory not in any state;
- (f) "General assets" means all property, real, personal, or otherwise, not specifically mortgaged, pledged, deposited, or otherwise encumbered for the security or benefit of specified persons, or a limited class or classes of persons, and as to such specifically encumbered property the term includes all such property or its proceeds in excess of the amount necessary to discharge the sum secured thereby. Assets held in trust and assets held on deposit for the security or benefit of all policy holders, or all policy holders, and creditors in the United States, shall be deemed general assets;
- (g) "Insurer" means any person, firm, corporation, association, or aggregation of persons doing any insurance business subject to the insurance supervisory authority of the Insurance Commissioner of the Commonwealth or the equivalent insurance supervisory official of another state;
- (h) "Preferred claim" means any claim with respect to which the law of a state or of the United States accords priority of payment from the general assets of the insurer;
- (i) "Receiver" means receiver, liquidator, rehabilitator, or conservator, as the context may require;
- (j) "Reciprocal state" means any state other than the Commonwealth, in which, in substance and effect, the provisions of this section are in force, including the provisions requiring that the Insurance Commissioner or an equivalent insurance supervisory official be the receiver of a delinquent insurer;
- (k) "Secured claim" means any claim secured by mortgage, trust, deed, pledge, deposit as a security, escrow, or otherwise, but not including special deposit claims or claims against general assets. The term also includes claims which are more than four months prior to the commencement of delinquency proceedings in the state of the insurer's domicile have become liens upon specific assets by reasons of judicial process;
- (l) "Special deposit claim" means any claim secured by a deposit made pursuant to statute for the security or benefit of a limited class or classes of persons, but not including any general assets;

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(m) “State” means any state of the United States, its territories and possessions, and the District of Columbia and for purposes of this chapter, includes the Commonwealth of the Northern Mariana Islands.

Source: PL 3-107, § 23, modified.

Commission Comment: The Commission reordered, in alphabetical order, the terms defined in this section. See also to the comment to 4 CMC § 7401.

Section 4 of PL 6-25, the “Commonwealth Judicial Reorganization Act of 1989,” provides that “[w]herever the term ‘Commonwealth Trial Court’ appears in the Commonwealth Code, it is henceforth to be interpreted and understood to refer to the Commonwealth Superior Court.”