

TITLE 4: ECONOMIC RESOURCES
DIVISION 7: INSURANCE

§ 7406. Filing and Proving of Claims of Residents Against Delinquent Insurers Domiciled in Reciprocal States.

(a) In a delinquency proceeding in a reciprocal state against an insurer domiciled in that state, claimants against the insurer who reside within the Commonwealth may file claims either with the ancillary receiver, if any, appointed in this Commonwealth or with the domiciliary receiver. All such claims must be filed on or before the last date fixed for the filings of claims in the domiciliary delinquency proceedings.

(b) Controverted claims belonging to claimants residing in the Commonwealth may either:

(1) Be proved in the domiciliary state as provided by the law of that state; or

(2) If ancillary proceedings have been commenced in the Commonwealth, be proved in those proceedings. In the event that any such claimant elects to prove his claim in the Commonwealth, the claimant shall file his or her claim with the ancillary receiver in the manner provided by the law of the Commonwealth for the proving of claims against insurers domiciled in the Commonwealth, and he shall give notice in writing to the receiver in the domiciliary state, either by registered mail or by personal service, at least 40 days prior to the date set for hearing. The notice shall contain a concise statement of the amount of the claim, the facts on which the claim is based, and the priorities asserted, if any. If the domiciliary receiver, within 30 days after the giving of notice, shall give notice in writing to the ancillary receiver and to the claimant, either by registered mail or by personal service, of an intention to contest the claim, the domiciliary receiver shall be entitled to appear or to be represented in any proceedings in the Commonwealth involving the adjudication of the claim. The final allowance of the claim by the court shall be accepted as conclusive as to its priority, if any, against special deposits or other security located within the Commonwealth.

Source: PL 3-107, § 23, modified.

Commission Comment: See the comment to 4 CMC § 7401.