



## Ohio Revised Code

### Section 3903.34 Proposal to disburse assets to guaranty associations - contents - application for approval.

Effective: December 4, 1995

Legislation: House Bill 374 - 121st General Assembly

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(A) Within one hundred twenty days of a final determination of insolvency of an insurer by a court of this state, the liquidator shall make application to the court for approval of a proposal to disburse assets out of marshalled assets, from time to time as such assets become available, to any guaranty associations or foreign guaranty associations having obligations because of such insolvency. If the liquidator determines that there are insufficient assets to disburse, the application required by this section shall be considered satisfied by a filing by the liquidator stating the reasons for this determination.

(B) Such proposal shall include, but not be limited to, provisions for all of the following:

(1) Reserving amounts for the payment of expenses of administration and the payment of claims of secured creditors, to the extent of the value of the security held, and claims falling within the priorities established in divisions (B) and (D) of section 3903.42 of the Revised Code;

(2) Disbursement of the assets marshalled to date and subsequent disbursement of assets as they become available;

(3) Equitable allocation of disbursements to each of the guaranty associations and foreign guaranty associations entitled thereto;

(4) The securing by the liquidator from each of the associations entitled to disbursements pursuant to this section of an agreement to return to the liquidator such assets, together with income earned on assets previously disbursed, as may be required to pay claims of secured creditors and claims falling within the priorities established in section 3903.42 of the Revised Code in accordance with such priorities. No bond shall be required of any such association.

(5) A full report to be made by each association to the liquidator accounting for all assets so



disbursed to the association, all disbursements made therefrom, any interest earned by the association on such assets, and any other matter as the court may direct.

(C) The liquidator's proposal shall provide for disbursements to the associations in amounts estimated at least equal to the claim payments made or to be made by the associations for which such associations could assert a claim against the liquidator, and shall further provide that, if the assets available for disbursement from time to time do not equal or exceed the amount of such claim payments made or to be made by the association, then disbursements shall be in the amount of available assets.

(D) The liquidator's proposal shall, with respect to an insolvent insurer writing life or health insurance or annuities, provide for disbursements of assets to any guaranty association or any foreign guaranty association covering life or health insurance or annuities or to any other entity or organization reinsuring, assuming, or guaranteeing policies or contracts of insurance under the acts creating such associations.

(E) Notice of such application shall be served upon the associations in, and the superintendents or commissioners of insurance or equivalent officers of, each of the states by certified mail as provided in Civil Rule 4.1(E) at least thirty days prior to submission of the application to the court. Action on the application may be taken by the court provided the above required notice has been given and provided further that the liquidator's proposal complies with divisions (B)(1) and (2) of this section.