

§ 58-48-95. Use of deposits made by insolvent insurer.

(a) Notwithstanding any other provision of this Chapter pertaining to the use of deposits made by insurance companies for the protection of policyholders, the Association shall receive, upon its request, from the Commissioner and may expend, any deposit or deposits made, whether or not required by statute, by an insolvent insurer to the extent those deposits are needed by the Association first to pay the covered claims as required by this Article and then to the extent those deposits are needed to pay all expenses of the Association relating to the insurer: Provided that the Commissioner may retain and use an amount of the deposit up to ten thousand dollars (\$10,000) to defray administrative costs to be incurred by the Commissioner in carrying out his powers and duties with respect to the insolvent insurer, notwithstanding G.S. 58-5-70.

(b) In, however the case of a deposit made by an insolvent domestic insurer, the Association shall receive, upon its request, from the Commissioner, the portions of the deposit made for the protection of policyholders having covered claims. As for the general deposit, those portions shall be in the proportions that the insolvent domestic insurer's domestic net direct written premiums for the preceding calendar year on the kinds of insurance in the account bears to its total net direct written premiums for the preceding calendar year on the kinds of insurance in the account.

(c) The Association shall account to the Commissioner and the insolvent insurer for all deposits received from the Commissioner under this section. After the deposits of the insolvent insurer received by the Association under this section have been expended by the Association for the purposes set out in this section, the member insurers shall be assessed as provided by this Article to pay any remaining liabilities of the Association arising under this Article. (1979, c. 628; 1985, c. 613, s. 10; c. 666, s. 41; 1987, c. 864, s. 6; 1989, c. 206, s. 9; c. 452, s. 5; 1993 (Reg. Sess., 1994), c. 678, s. 23; 2001-223, s. 24.4; 2001-487, s. 103(a).)