

(C) (1) NOTWITHSTANDING A PROVISION IN A NETTING AGREEMENT THAT THE NONDEFAULTING PARTY IS NOT REQUIRED TO PAY ANY NET OR SETTLEMENT AMOUNT DUE TO THE DEFAULTING PARTY, ON TERMINATION OF THE NETTING AGREEMENT, THE NET OR SETTLEMENT AMOUNT, IF ANY, OWED BY A NONDEFAULTING PARTY TO AN INSURER AGAINST WHICH AN APPLICATION OR PETITION HAS BEEN FILED UNDER THIS SUBTITLE, SHALL BE TRANSFERRED TO OR ON THE ORDER OF THE RECEIVER FOR THE INSURER, EVEN IF THE INSURER IS THE DEFAULTING PARTY.

(2) ANY LIMITED TWO-WAY PAYMENT PROVISION IN A NETTING AGREEMENT WITH AN INSURER THAT HAS DEFAULTED SHALL BE DEEMED TO BE A FULL TWO-WAY PAYMENT PROVISION AS AGAINST THE DEFAULTING INSURER.

(3) ANY SUCH NET OR SETTLEMENT AMOUNT SHALL BE A GENERAL ASSET OF THE INSURER, EXCEPT TO THE EXTENT SUCH NET OR SETTLEMENT AMOUNT IS SUBJECT TO ONE OR MORE SECONDARY LIENS OR ENCUMBRANCES.

(D) IN MAKING A TRANSFER OF A NETTING AGREEMENT OR QUALIFIED FINANCIAL CONTRACT OF AN INSURER SUBJECT TO A DELINQUENCY PROCEEDING UNDER THIS SUBTITLE, THE RECEIVER SHALL:

(1) TRANSFER TO ONE PARTY, OTHER THAN AN INSURER SUBJECT TO A DELINQUENCY PROCEEDING UNDER THIS SUBTITLE, ALL NETTING AGREEMENTS AND QUALIFIED FINANCIAL CONTRACTS BETWEEN A COUNTERPARTY OR AN AFFILIATE OF A COUNTERPARTY AND THE INSURER THAT IS THE SUBJECT OF THE DELINQUENCY PROCEEDING, INCLUDING:

(I) ALL RIGHTS AND OBLIGATIONS OF EACH PARTY UNDER EACH NETTING AGREEMENT AND QUALIFIED FINANCIAL CONTRACT; AND

(II) ALL PROPERTY, INCLUDING ANY GUARANTEES OR CREDIT SUPPORT DOCUMENTS, SECURING ANY CLAIMS OF EACH PARTY UNDER EACH NETTING AGREEMENT AND QUALIFIED FINANCIAL CONTRACT; OR

(2) TRANSFER NONE OF THE NETTING AGREEMENTS, QUALIFIED FINANCIAL CONTRACTS, RIGHTS, OBLIGATIONS, OR PROPERTY REFERRED TO IN ITEM (1) OF THIS SUBSECTION, WITH RESPECT TO THE COUNTERPARTY AND ANY AFFILIATE OF THE COUNTERPARTY.

(E) (1) IF A RECEIVER FOR AN INSURER MAKES A TRANSFER OF ONE OR MORE NETTING AGREEMENTS OR QUALIFIED FINANCIAL CONTRACTS, THE RECEIVER SHALL USE ITS BEST EFFORTS TO NOTIFY ANY PERSON WHO IS PARTY TO THE NETTING AGREEMENTS OR QUALIFIED FINANCIAL CONTRACTS OF THE TRANSFER BY 12:00 P.M., THE RECEIVER'S LOCAL TIME, ON THE BUSINESS DAY FOLLOWING THE TRANSFER.

(2) IN THIS SUBSECTION, "BUSINESS DAY" MEANS A DAY OTHER THAN A SATURDAY, A SUNDAY, OR ANY DAY ON WHICH EITHER THE NEW YORK STOCK EXCHANGE OR THE FEDERAL RESERVE BANK OF NEW YORK IS CLOSED.

(F) (1) NOTWITHSTANDING ANY PROVISION OF THIS SUBTITLE OTHER THAN PARAGRAPH (2), OF THIS SUBSECTION, A RECEIVER MAY NOT AVOID A