

BEEN ENTERED, THE RECEIVER APPOINTED UNDER SUCH ORDER SHALL HAVE A RIGHT TO RECOVER ON BEHALF OF THE INSURER:

(I) FROM ANY PARENT CORPORATION OR HOLDING COMPANY OR PERSON OR AFFILIATE WHO OTHERWISE CONTROLLED THE INSURER, THE AMOUNT OF DISTRIBUTIONS, OTHER THAN DISTRIBUTIONS OF SHARES OF THE SAME CLASS OF STOCK, PAID BY THE INSURER ON ITS CAPITAL STOCK; OR

(II) ANY PAYMENT IN THE FORM OF A BONUS, TERMINATION SETTLEMENT, OR EXTRAORDINARY LUMP SUM SALARY ADJUSTMENT MADE BY THE INSURER OR ITS SUBSIDIARIES TO A DIRECTOR, OFFICER, OR EMPLOYEE.

(2) SUBJECT TO THE LIMITATIONS OF SUBSECTIONS (B), (C), AND (D) OF THIS SECTION, THE RECEIVER MAY NOT RECOVER A DISTRIBUTION OR PAYMENT UNDER PARAGRAPH (1) OF THIS SUBSECTION UNLESS THE DISTRIBUTION OR PAYMENT WAS MADE AT ANY TIME DURING THE 1 YEAR PRECEDING THE PETITION FOR LIQUIDATION, CONSERVATION, OR REHABILITATION.

(B) A DISTRIBUTION IS NOT RECOVERABLE UNDER THIS SECTION IF THE PARENT OR AFFILIATE SHOWS THAT, WHEN PAID:

(1) THE DISTRIBUTION WAS LAWFUL AND REASONABLE; AND

(2) THE INSURER DID NOT KNOW AND COULD NOT REASONABLY HAVE KNOWN THAT SUCH DISTRIBUTION MIGHT ADVERSELY AFFECT THE ABILITY OF THE INSURER TO FULFILL ITS CONTRACTUAL OBLIGATIONS.

(C) (1) ANY PERSON THAT WAS A PARENT CORPORATION OR HOLDING COMPANY OR A PERSON THAT OTHERWISE CONTROLLED THE INSURER OR AFFILIATE AT THE TIME SUCH DISTRIBUTIONS WERE PAID SHALL BE LIABLE FOR UP TO THE AMOUNT OF DISTRIBUTIONS OR PAYMENTS THAT SUCH PERSONS RECEIVED.

(2) ANY PERSON THAT OTHERWISE CONTROLLED THE INSURER AT THE TIME SUCH DISTRIBUTIONS WERE DECLARED SHALL BE LIABLE FOR UP TO THE AMOUNT OF DISTRIBUTIONS THAT THE PERSON WOULD HAVE RECEIVED IF THEY HAD BEEN PAID IMMEDIATELY.

(3) IF 2 OR MORE PERSONS ARE LIABLE WITH RESPECT TO THE SAME DISTRIBUTIONS, THEY SHALL BE JOINTLY AND SEVERALLY LIABLE.

(D) THE MAXIMUM AMOUNT RECOVERABLE UNDER THIS SECTION SHALL BE THE AMOUNT NEEDED IN EXCESS OF ALL OTHER AVAILABLE ASSETS OF THE IMPAIRED OR INSOLVENT INSURER TO PAY THE CONTRACTUAL OBLIGATIONS OF THE IMPAIRED OR INSOLVENT INSURER AND TO REIMBURSE ANY GUARANTY FUNDS.

(E) TO THE EXTENT THAT ANY PERSON LIABLE UNDER SUBSECTION (C) OF THIS SECTION IS INSOLVENT OR OTHERWISE FAILS TO PAY CLAIMS DUE FROM IT, ITS PARENT CORPORATION OR HOLDING COMPANY, OR OTHER PERSON WHO OTHERWISE CONTROLLED THE INSURER AT THE TIME THE