

Defined terms: "Alien insurer" § 1-101

"Certificate of authority" § 1-101

"Commissioner" § 1-101

"Corporation" § 9-401

"Domestic insurer" § 1-101

"Foreign insurer" § 1-101

"Impaired insurer" § 9-401

"Insurance business" § 1-101

"Member insurer" § 9-401

"Person" § 1-101

"Premiums" § 9-401

"State" § 1-101

9-412. DETECTION AND PREVENTION OF INSURER IMPAIRMENTS.

(A) GENERAL POWERS AND DUTIES.

(1) THE COMMISSIONER AND BOARD OF DIRECTORS HAVE THE POWERS AND DUTIES DESCRIBED IN THIS SECTION TO HELP IN THE DETECTION AND PREVENTION OF INSURER IMPAIRMENTS.

(2) THE CORPORATION MAY HELP THE COMMISSIONER IN DETECTING AND PREVENTING INSURER IMPAIRMENTS AS PROVIDED IN THIS SECTION.

(B) EXAMINATION OF MEMBER INSURER - IN GENERAL.

(1) THE COMMISSIONER SHALL EXAMINE A MEMBER INSURER IF THE COMMISSIONER HAS REASONABLE CAUSE TO BELIEVE THAT THE MEMBER INSURER MAY BE UNABLE OR POTENTIALLY UNABLE TO FULFILL ITS CONTRACTUAL OBLIGATIONS.

(2) ON A MAJORITY VOTE, THE BOARD OF DIRECTORS SHALL NOTIFY THE COMMISSIONER OF ANY INFORMATION THAT INDICATES THAT A MEMBER INSURER MAY BE UNABLE OR POTENTIALLY UNABLE TO FULFILL ITS CONTRACTUAL OBLIGATIONS.

(C) SAME - ON REQUEST OF BOARD.

(1) ON A MAJORITY VOTE, THE BOARD OF DIRECTORS MAY REQUEST THAT THE COMMISSIONER ORDER AN EXAMINATION OF A MEMBER INSURER THAT THE BOARD IN GOOD FAITH BELIEVES MAY BE UNABLE OR POTENTIALLY UNABLE TO FULFILL ITS CONTRACTUAL OBLIGATIONS.

(2) THE COMMISSIONER MAY CONDUCT THE EXAMINATION.

(3) THE EXAMINATION MAY BE CONDUCTED AS A NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS EXAMINATION OR MAY BE CONDUCTED BY A PERSON THAT THE COMMISSIONER DESIGNATES.

(4) THE COST OF AN EXAMINATION SHALL BE PAID BY THE CORPORATION.