

(2) If the owner of a secured claim has the claim discharged by resort to the security, any deficiency shall be treated as a claim against the general assets of the insurer on the same basis as the claims of unsecured creditors.

(3) The amount of a deficiency is conclusive if adjudicated:

(i) in an ancillary proceeding under this subtitle; or

(ii) by a court of competent jurisdiction in a proceeding in which the domiciliary receiver has had notice and an opportunity to be heard.

(4) If the amount of a deficiency is not conclusive, the amount shall be determined in a delinquency proceeding in the domiciliary state.

[(f)] (G) (1) Current financing moneys that, in accordance with regulations adopted by the Health Services Cost Review Commission, are provided by an insurer, nonprofit health service plan, or health maintenance organization to a hospital for discounted hospital rates are deemed to be security for the amount of outstanding charges owed by the insurer, nonprofit health service plan, or health maintenance organization to the hospital for bills or claims for services provided by the hospital before the delinquency proceeding.

(2) A hospital that retains any current financing moneys as security under this subsection:

(i) is deemed to be the owner of a secured claim against the insurer, nonprofit health service plan, or health maintenance organization for which a receiver has been appointed; and

(ii) may discharge its claim against the insurer, nonprofit health service plan, or health maintenance organization as provided under subsection [(e)] (F) of this section.

[(g)] (H) (1) In a delinquency proceeding against an insurer domiciled in the State, claims owing to residents of ancillary states are preferred claims if similar claims are preferred under the law of this State.

(2) All claims owing to residents of ancillary states or nonresidents have equal priority of payment from general assets regardless of where the general assets are located.

[(h)] (I) In a delinquency proceeding against an insurer domiciled in a reciprocal state, claims owing to residents of this State are preferred claims if similar claims are preferred under the law of that state.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2001.

May 17, 2001

The Honorable Casper R. Taylor, Jr.
Speaker of the House