

**TITLE 4: ECONOMIC RESOURCES**  
**DIVISION 7: INSURANCE**

**§ 7404. Conduct of Delinquency Proceedings Against Insurers Not Domiciled in the Commonwealth.**

(a) Whenever under the laws of the Commonwealth an ancillary receiver is to be appointed in delinquency proceedings for an insurer not domiciled in the Commonwealth, the commissioner shall file a petition requesting the appointment:

(1) If the commissioner finds that there are sufficient assets of the insurer located in the Commonwealth to justify the appointment of an ancillary receiver; or

(2) If 10 or more persons resident in the Commonwealth, having claims against the insurer, file a petition with the commissioner requesting the appointment of an ancillary receiver.

(b) The domiciliary receiver of an insurer domiciled in a reciprocal state shall be vested by operation of law with the title to all of the property, contracts, and rights of action, and all of the books and records of the insurer located in the Commonwealth, and the domiciliary receiver shall have the immediate right to recover balances due from local agents and to obtain possession of any books and records of the insurer found in this Commonwealth. The domiciliary receiver shall also be entitled to recover the other assets of the insurer located in the Commonwealth except that upon the appointment of an ancillary receiver in the Commonwealth, the ancillary receiver shall, during the ancillary receivership proceedings, have the sole right to recover such other assets. The ancillary receiver shall, as soon as practicable, liquidate from their respective securities those special deposit claims and secured claims which are proved and allowed in the ancillary proceedings in the Commonwealth and shall pay the necessary expenses of the proceedings. All remaining assets the ancillary receiver shall promptly transfer to the domiciliary receiver. Subject to the foregoing provisions, the ancillary receiver and his or her deputies shall have the same powers and be subject to the same duties with respect to the administration of such assets as a receiver of an insurer domiciled in the Commonwealth.

**Source:** PL 3-107, § 23, modified.

**Commission Comment:** See the comment to 4 CMC § 7401.