

60C.195 STAY OF PROCEEDINGS.

All proceedings in which the insolvent insurer is a party or is obligated to defend a party in a court in this state shall, subject to waiver by the association in specific cases involving covered claims, be stayed for six months and additional time that may be determined by the court. The stay must run from the date of the final order of liquidation with a finding of insolvency is entered or an ancillary proceeding is instituted in the state, whichever is later. The proceedings are stayed to permit proper defense by the association of all pending causes of action. As to covered claims arising from a judgment under decision, verdict, or finding based on the default of the insolvent insurer or its failure to defend an insured, the association, either on its own behalf or on behalf of an insured, may apply to have the judgment, order, decision, verdict, or finding set aside by the same court or administrator that made the judgment, order, decision, verdict, or finding and must be permitted to defend the claim on the merits.

The liquidator, receiver, or statutory successor of an insolvent insurer covered by this chapter must permit access by the board or its authorized representative to the insolvent insurer's records that are necessary for the board in carrying out its functions under this chapter with regard to covered claims. In addition, the liquidator, receiver, or statutory successor must provide the board or its representative with copies of those records upon request by the board and at the expense of the board.

History: 1997 c 52 s 13