



**INTERNATIONAL ASSOCIATION
OF INSURANCE RECEIVERS**
PROMOTING PROFESSIONALISM AND ETHICS

May 10, 2017

James Kennedy (TX)
Chair, Receivership Model Law (E) Working Group (“RMLWG”)

RE: Request for Comments on *Receivership Model Law (E) Working Group’s
Draft Recommendation Regarding Stays & Reciprocity*

On behalf of the International Association of Insurance Receivers (“IAIR”), this letter responds to your request for input and perspective on the Receivership Model Law (E) Working Group’s Draft Recommendation Regarding Stays & Reciprocity. IAIR appreciates the opportunity to provide comments.

As you are aware, IAIR was founded in 1991 as an association of professionals involved with insurance receiverships and financially stressed or troubled insurers. IAIR’s mission includes facilitating the exchange of information concerning the administration and restructuring of such insurers. IAIR’s members include experienced insurance receivers (including liquidators and rehabilitators), insurance regulators, life and health and property and casualty guaranty associations, and other professionals (attorneys, accountants, actuaries, information technology experts, etc.) that provide consulting services in rehabilitation and liquidation proceedings.

Draft Recommendation Regarding Stays & Reciprocity

IAIR supports the Working Group’s recommendations regarding stay provisions and reciprocity. As we noted in our January 31, 2016 comments on Results of Survey of State’s Receivership Laws, recent experiences of IAIR members indicate that there continue to be potential issues in certain states and jurisdictions with reciprocity for receivership stay provisions. We pointed out receivership cases involving construction defects claims as specific examples of cases where courts failed to recognize insurance company receivership stay provisions. The handling of claims by receivers is hampered by the failure of courts to give full faith and credit recognition to stays and the resulting unnecessary depletion of the insurer’s assets and time resources. Therefore, we are in favor of efforts to encourage reciprocity and more uniform stay provisions in all states and jurisdictions. We support the *Draft Recommendation Regarding Stays & Reciprocity* and encourage the Working Group to continue to strive for universal reciprocity.



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We thank you for the opportunity to present our comments. IAIR would be pleased to respond to any questions on the foregoing and welcomes the opportunity to assist and participate in further discussions.

Respectfully submitted,

Jonathan L. Bing
First Vice-President
International Association of Insurance Receivers