

INSURANCE COMPANY REHABILITATIONS/LIQUIDATIONS

The Insurance Department regulates the business of insurance. It monitors the financial condition of insurance companies incorporated in Utah. When an insurance company becomes insolvent, the Insurance Commissioner is authorized to petition a Utah court to place the company into formal rehabilitation or liquidation proceedings. Such proceedings are court-supervised receiverships in which, as mandated by statute, the Insurance Commissioner is appointed by the court to act in the capacity of a rehabilitator or a liquidator.

Once a court issues an order of rehabilitation or liquidation, the policyholders, creditors, and other potential claimants are notified that the company has been placed into a formal delinquency proceeding. If the company has been placed into liquidation, the Liquidator receives and processes the claims of the company's policyholders, creditors, and other potential claimants. The Liquidator also proceeds to marshal all assets of the company for the benefit of policyholders, creditors, and other claimants.

Once the claims against the company are known and classified, and the assets available to satisfy those claims are known, the claims are presented to and approved by the court. Court approved claims are thereafter paid to the extent the assets will allow.

During 2008 the Utah Insurance Commissioner, as Liquidator, was administering the liquidation of the following five Utah insurance companies:

- Wasatch Crest Mutual Insurance
- Wasatch Crest Insurance Company
- Southern American Insurance Company
- American Western Life Insurance Company
- National Annuity Company

Please go to the following link for further information about these companies.

<http://www.utinsreceivers.org/>