

CHAPTER 60B

INSURERS REHABILITATION AND LIQUIDATION
ACT

60B.44 Order of distribution.

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Subdivision 1. **Deductible provision.** The distribution of claims from the insurer's estate shall be in the order stated in this section with a descending degree of preference for each subdivision. Every claim in each class shall be paid in full or adequate funds retained for the payment before the members of the next class receive any payment. No subclasses shall be established within any class.

[For text of subs 2 and 3, see M.S.1986]

Subd. 4. **Loss claims; including claims not covered by a guaranty association.** All claims under policies or contracts of coverage for losses incurred including third party claims, and all claims against the insurer for liability for bodily injury or for injury to or destruction of tangible property which are not under policies or contracts. All claims under life insurance and annuity policies, whether for death proceeds, annuity proceeds, or investment values, shall be treated as loss claims. That portion of any loss for which indemnification is provided by other benefits or advantages recovered or recoverable by the claimant shall not be included in this class, other than benefits or advantages recovered or recoverable in discharge of familial obligations of support or by way of succession at death or as proceeds of life insurance, or as gratuities. No payment made by an employer to an employee shall be treated as a gratuity. Claims not covered by a guaranty association are loss claims. If any portion of a claim is covered by a reinsurance treaty or similar contractual obligation, that claim shall be entitled to a pro rata share, based upon the relationship the claim amount bears to all claims payable under the treaty or contract, of the proceeds received under that treaty or contractual obligation.

Claims receiving pro rata payments shall not, as to any remaining unpaid portion of their claim, be treated in a different manner than if no such payment had been received.

Subd. 5. **Unearned premiums.** Claims under nonassessable policies or contracts of coverage for unearned premiums or subscription rates or other refunds.

[For text of subs 6 to 8, see M.S.1986]

Subd. 9. **Miscellaneous subordinated claims.** The remaining claims or portions of claims not already paid, with interest as in subdivision 8.

- (a) Claims under section 60B.39, subdivision 2;
- (b) Claims subordinated by section 60B.61;
- (c) Except to the extent excused or otherwise permitted pursuant to section 60B.37, claims filed late;
- (d) Portions of claims subordinated under subdivision 6; and
- (e) Claims or portions of claims payment of which is provided by other benefits or advantages recovered or recoverable by the claimant.

[For text of subs 10 and 11, see M.S.1986]

History: 1987 c 337 s 27-30