60B.12 COURT'S SEIZURE ORDER.

Subdivision 1. **Issuance.** Upon the filing by the commissioner in any district court in this state of a verified petition establishing to the satisfaction of the court that sufficient grounds exist for a formal delinquency proceeding against an insurer under sections 60B.01 to 60B.61 and that the interests of policyholders, creditors, or the public will be endangered by delay, and setting out the order deemed necessary by the commissioner, the court shall issue forthwith, ex parte and without a hearing, an order which may (a) authorize the commissioner to take possession and control of all or a part of the property, books, accounts, documents, and other records of an insurer and of the premises occupied by it for the transaction of its business, and (b) until further order of the court, enjoin the insurer and its officers, managers, agents, and employees from disposition of its property and from transaction of its business except with the written consent of the commissioner, and (c) provide such other terms as the court deems appropriate for the protection of the insurer, its policyholders, its creditors, and the public during the duration of the order. The order shall also direct the service of a copy of the order forthwith upon the insurer and all persons in possession of any property seized under the order.

Subd. 2. **Duration.** The court shall specify in the order what its duration shall be and order the insurer to appear at a specified time within the duration of the order and show cause why the order should not be continued in effect. The duration of the order may be such time as the court deems necessary for the commissioner to ascertain the condition of the insurer. On motion of either party or on its own motion, the court may hold such hearings as it deems desirable after such notice as it deems appropriate, and may set aside, extend, shorten, or modify the terms of the seizure order. The court shall vacate the seizure order if the commissioner fails to commence a formal proceeding under sections 60B.01 to 60B.61 after having had a reasonable opportunity to do so. The issuance of an order of the court pursuant to a formal proceeding under sections 60B.01 to 60B.61 vacates the seizure order.

Subd. 3. **Anticipatory breach.** Entry of a seizure order under this section shall not constitute an anticipatory breach of any contract of the insurer.

History: *1969 c 708 s 12*