START\_STATUTE20-681.  Definitions

In this article, unless the context otherwise requires:

1.  "Account" means any of the three accounts established pursuant to section 20‑683.

2.  "Authorized" means, when used in the context of assessments pursuant to this article, an assessment for a specified amount approved by the board of directors to be called immediately or in the future from member insurers.

3.  "Called" means, when used in the context of assessments pursuant to this article, an authorized assessment for which a notice has been issued by the fund to member insurers requiring payment within the time set forth in the notice.

4.  "Contractual obligation" means an obligation under a covered policy or contract for which coverage is provided pursuant to this article.

5.  "Covered contract" or "covered policy" means a policy or contract or part of a policy or contract for which coverage is provided pursuant to this article.

6.  "Fund" means the life and disability insurance guaranty fund.

7.  "Health benefit plan":

(a)  Means a hospital or medical expense policy or certificate, a health care services organization subscriber contract or any other similar health contract.

(b)  Does not include:

(i)  Accident only insurance.

(ii)  Credit insurance.

(iii)  Dental only insurance.

(iv)  Vision only insurance.

(v)  Medicare supplement insurance.

(vi)  Benefits for long‑term care, home health care or community‑based care, or any combination thereof.

(vii)  Disability income insurance.

(viii)  Coverage for on‑site medical clinics.

(ix)  Specified disease, hospital confinement indemnity or limited benefit health insurance if the types of coverage do not provide coordination of benefits and are provided under separate policies or certificates.

8.  "Impaired insurer" means a member insurer that is not an insolvent insurer and that is placed under an order of rehabilitation or conservation by a court of competent jurisdiction.

9.  "Insolvent insurer" means a member insurer that is placed under an order of liquidation with a finding of insolvency by a court of competent jurisdiction.

10.  "Member insurer" means an insurer or health care services organization that holds a certificate of authority to transact in this state any kind of insurance or health care services organization business to which this article applies and includes an insurer or health care services organization whose license or certificate of authority in this state may have been suspended, revoked, not renewed or voluntarily withdrawn. Member insurer does not include:

(a)  A fraternal benefit society licensed under chapter 4, article 4 of this title.

(b)  A hospital, medical, dental or optometric service corporation licensed under chapter 4, article 3 of this title.

(c)  A prepaid dental plan organization licensed under chapter 4, article 7 of this title.

(d)  A mandatory state pooling plan.

(e)  A mutual assessment company or other person that operates on an assessment basis.

(f)  A reciprocal insurance exchange licensed under chapter 4, article 2 of this title.

(g)  An entity that is similar to any of the entities described in this paragraph.

11.  "Moody's corporate bond yield average" means the monthly average corporate bond yield as published by Moody's investors service, incorporated, or any successor entity.

12.  "Owner" and "policyholder" mean, when used in reference to a policy or contract, the person identified as the legal owner under the terms of the policy or contract or otherwise vested with legal title to the policy or contract through a valid assignment that is completed in accordance with the terms of the policy or contract and that is properly recorded as the owner on the member insurer's books.  Owner and policyholder do not include a person with a mere beneficial interest in a policy or contract.

13.  "Premiums":

(a)  Means amounts or considerations by whatever name called that are received on covered policies or contracts less returned premiums, considerations and deposits and less dividends and experience credits.

(b)  Does not include:

(i)  Amounts or consideration received for policies or contracts or for parts of policies or contracts for which coverage is not provided under section 20‑682, subsection C, except that assessable premium shall not be reduced under section 20‑682, subsection D, paragraph 4, relating to interest limitations, and section 20‑682, subsection E, paragraph 2, relating to limitations with respect to one individual, one participant and one policy or contract owner.

(ii)  Amounts in excess of five million dollars with respect to multiple nongroup policies of life insurance owned by one owner, regardless of the number of policies or contracts held by the owner.

14.  "Resident" means a person to whom a contractual obligation is owed and who resides in this state on the date of entry of a court order that determines a member insurer to be an impaired insurer or an insolvent insurer. A person may be a resident of only one state, which for a person other than a natural person shall be its principal place of business. A United States citizen who resides in a foreign country or a United States territory, possession or protectorate that does not have a fund similar to the fund established under this article shall be deemed to be a resident of the state of domicile of the member insurer that issued the policy or contract.

15.  "Structured settlement annuity" means an annuity purchased in order to fund periodic payments for a plaintiff or other claimant in payment for or with respect to personal injury suffered by the plaintiff or other claimant.

16.  "Supplemental contract" means a written agreement that is entered into for the distribution of proceeds under a life, disability, disability income or annuity policy or contract.

17.  "Unallocated annuity contract" means an annuity contract or group annuity certificate that is not issued to and owned by an individual, except to the extent of any annuity benefits guaranteed to an individual by an insurer under the contract or certificate.END\_STATUTE