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To: Insurance

COMMITTEE SUBSTITUTE
FOR
HOUSE BILL NO. 834

1 AN ACT TO AMEND SECTION 71-3-159, MISSISSIPPI CODE OF 1972,
2 TO CREATE TWO NONPROFIT UNINCORPORATED LEGAL ENTITIES TO BE KNOWN
3 AS THE "MISSISSIPPI WORKERS' COMPENSATION INDIVIDUAL SELF-INSURER
4 GUARANTY ASSOCIATION" AND THE "MISSISSIPPI WORKERS' COMPENSATION
5 GROUP SELF-INSURER GUARANTY ASSOCIATION"; TO PROVIDE THAT ANY
6 INDIVIDUAL OR GROUP SELF-INSURER COMPOSED OF THE STATE, OR ANY
7 AGENCY THEREOF, OR COUNTY OR MUNICIPAL GOVERNMENTS SHALL NOT BE
8 REQUIRED TO BE MEMBERS OF THE INDIVIDUAL ASSOCIATION OR THE GROUP
9 ASSOCIATION; TO AMEND SECTION 71-3-157, MISSISSIPPI CODE OF 1972,
10 TO REVISE DEFINITIONS; TO AMEND SECTION 71-3-161, MISSISSIPPI CODE
11 OF 1972, TO PROVIDE FOR BOARDS OF DIRECTORS OF THE INDIVIDUAL
12 ASSOCIATION AND THE GROUP ASSOCIATION; TO AMEND SECTION 71-3-163,
13 MISSISSIPPI CODE OF 1972, TO PROVIDE THAT ALL FUNDS IN THE
14 MISSISSIPPI WORKERS' COMPENSATION SELF-INSURER GUARANTY
15 ASSOCIATION SHALL BECOME AND REMAIN ASSETS OF THE MISSISSIPPI
16 WORKERS' COMPENSATION INDIVIDUAL SELF-INSURER GUARANTY
17 ASSOCIATION; TO PROVIDE FOR CERTAIN ASSESSMENTS TO EACH INDIVIDUAL
18 SELF-INSURER AND TO EACH GROUP SELF-INSURER; TO AMEND SECTION
19 71-3-165, MISSISSIPPI CODE OF 1972, TO REQUIRE THAT EACH
20 ASSOCIATION SHALL SUBMIT A PLAN OF OPERATION TO THE COMMISSION; TO
21 AMEND SECTION 71-3-169, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT
22 CERTAIN EXPENSES, INTEREST AND PENALTIES SHALL BE ADDED TO ANY
23 RECOVERY BY AN ASSOCIATION FROM A SELF-INSURER IN DEFAULT; TO
24 AMEND SECTION 71-3-173, MISSISSIPPI CODE OF 1972, TO PROVIDE FOR
25 CERTAIN EXAMINATIONS OF THE FINANCIAL CONDITION OF MEMBER
26 SELF-INSURERS AND GROUP SELF-INSURERS; TO CREATE NEW CODE SECTION
27 71-3-174, MISSISSIPPI CODE OF 1972, TO PROVIDE FOR SPECIAL
28 ASSESSMENT PLANS IF AN ASSOCIATION ASSUMES OBLIGATIONS OF AN
29 INDIVIDUAL SELF-INSURER OR GROUP SELF-INSURER WHICH EXCEED THE
30 ASSETS OF SUCH ASSOCIATION; TO AMEND SECTIONS 71-3-153, 71-3-167,
31 71-3-175, 71-3-177, 71-3-179 AND 71-3-181, MISSISSIPPI CODE OF
32 1972, IN CONFORMITY THERETO; AND FOR RELATED PURPOSES.

33 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

34 **SECTION 1.** Section 71-3-153, Mississippi Code of 1972, is
35 amended as follows:

36 71-3-153. The purpose of Sections 71-3-151 through 71-3-181
37 is to provide a mechanism for the payment of the covered claims
38 under the Workers' Compensation Law, to avoid excessive delay in
39 payment and to avoid financial loss to claimants because of the
40 insolvency of a self-insurer, to assist in the detection and
41 prevention of self-insurer insolvencies, and to provide * * *

42 associations to assess the cost of such protection among
43 self-insurers.

44 Sections 71-3-151 through 71-3-181 shall apply to all
45 employers who are self-insurers under the provisions of Section
46 71-3-75, Mississippi Code of 1972.

47 **SECTION 2.** Section 71-3-157, Mississippi Code of 1972, is
48 amended as follows:

49 71-3-157. For the purposes of Sections 71-3-151 through
50 71-3-181, the following words shall have the meanings ascribed
51 herein unless the context shall otherwise require:

52 (a) "Individual association" means the Mississippi
53 Workers' Compensation Individual Self-insurer Guaranty Association
54 created under Section 71-3-159.

55 (b) "Group association" means the Mississippi Workers'
56 Compensation Group Self-insurer Guaranty Association created under
57 Section 71-3-159.

58 (c) "Commission" means the Mississippi Workers'
59 Compensation Commission.

60 (d) "Compensation" means amounts payable to claimants
61 under the Mississippi Workers' Compensation Law as defined in
62 Section 71-3-3(j), Mississippi Code of 1972.

63 (e) "Covered claim" means an unpaid claim upon which
64 compensation or medical is payable by an individual self-insurer
65 or a group self-insurer under the Workers' Compensation Law.

66 (f) "Self-insurer in default" means an individual
67 self-insurer or a group self-insurer as defined by this chapter
68 that has defaulted or failed for any reason to satisfy any of its
69 obligations under the Workers' Compensation Law, including,
70 without limitation, all obligations for payment of indemnity
71 compensation, disability, expenses of medical, hospital, surgical,
72 rehabilitation and other services, death benefits and funeral
73 expenses, whether such default or failure is the result of
74 insolvency or bankruptcy or receivership or otherwise.

75 (g) "Member self-insurer" means a self-insurer as
76 defined by this chapter who is a member of the Mississippi
77 Workers' Compensation Individual Self-insurer Guaranty Association
78 or the Mississippi Workers' Compensation Group Self-insurer
79 Guaranty Association.

80 (h) "Individual self-insurer" is an employer who has
81 been authorized under Section 71-3-75(2), Mississippi Code of
82 1972, to insure under the Workers' Compensation Law.

83 (i) "Group self-insurer" is a group of employers who
84 have been authorized under Section 71-3-75(3), Mississippi Code of
85 1972, to insure under the Workers' Compensation Law.

86 (j) "Person" means any individual, corporation,
87 partnership, association or voluntary organization.

88 **SECTION 3.** Section 71-3-159, Mississippi Code of 1972, is
89 amended as follows:

90 71-3-159. There are created * * * nonprofit unincorporated
91 legal entities to be known as the "Mississippi Workers'
92 Compensation Individual Self-insurer Guaranty Association" and the
93 "Mississippi Workers' Compensation Group Self-insurer Guaranty
94 Association." All individual self-insurers shall be and remain
95 members of the individual association and all group self-insurers
96 shall be and remain members of the group association as a
97 condition of their authority under Section 71-3-75, Mississippi
98 Code of 1972. These associations shall perform their functions
99 under * * * plans of operation established and approved under
100 Section 71-3-165 and shall exercise their powers through * * *
101 boards of directors established under Section 71-3-161. However,
102 any individual or group self-insurer composed of the state, or any
103 agency thereof, or county or municipal governments shall not be
104 required to be members of the individual association or the group
105 association.

106 **SECTION 4.** Section 71-3-161, Mississippi Code of 1972, is
107 amended as follows:

108 71-3-161. (1) The boards of directors of the individual
109 association and the group association shall each consist of not
110 less than five (5) nor more than nine (9) persons, serving terms
111 as established in their plans of operation. The members of each
112 of the boards shall be selected by their respective member
113 self-insurers, subject to the approval of the commission.
114 Vacancies of the boards shall be filled for the remaining period
115 of the term in the same manner as initial appointments.

116 (2) In approving selections to the boards, the commission
117 shall consider, among other things, whether all member
118 self-insurers of their respective association are fairly
119 represented.

120 (3) Subject to board approval, members of the boards may be
121 reimbursed from the assets of their respective associations for
122 expenses, including, but not limited to, attorney fees, incurred
123 by them as members of the boards of directors.

124 **SECTION 5.** Section 71-3-163, Mississippi Code of 1972, is
125 amended as follows:

126 71-3-163. (1) Each association shall:

127 (a) Be obligated to the extent of its covered claims
128 existing prior to the date of default and arising within thirty
129 (30) days after the date of default. In no event shall an
130 association be obligated to a claimant in an amount in excess of
131 the obligation of the defaulting member self-insurer of such
132 association.

133 (b) Be deemed the self-insurer to the extent of
134 obligations on its * * * covered claims and to such extent shall
135 have all rights, duties and obligations of the individual
136 self-insurer in default or insolvent group self-insurer in default
137 as if such self-insurer were not in default.

138 (c) Assess its respective individual self-insurers or
139 group self-insurers amounts necessary to pay the obligations of
140 the association under subsection (2) of this section, the expenses

141 of handling covered claims and other expenses authorized by
142 Sections 71-3-151 through 71-3-181. The assessments of each
143 individual self-insurer and each group self-insurer shall be two
144 percent (2%) of the gross paid compensation and medical supplies
145 and services of said member self-insurer during each period of six
146 (6) months. Said two percent (2%) assessment shall be collected
147 by the commission at the same time as and pursuant to the
148 procedures adopted by the commission pursuant to Section 71-3-99,
149 Mississippi Code of 1972. All funds in the Mississippi Workers'
150 Compensation Self-insurer Guaranty Association on July 1, 2004,
151 shall become and remain assets of the Mississippi Workers'
152 Compensation Individual Self-insurer Guaranty Association, but
153 shall be used only for purposes of satisfying obligations arising
154 from covered claims filed with the Mississippi Workers'
155 Compensation Self-insurer Guaranty Association on and before July
156 1, 2004. All obligations arising from covered claims filed with
157 the Mississippi Workers' Compensation Self-insurer Guaranty
158 Association on and before July 1, 2004, shall remain obligations
159 of all employers who were approved self-insureds as of the dates
160 such covered claims were filed. All obligations arising from
161 covered claims filed after July 1, 2004, shall become the sole
162 obligation of the association to which the insolvent individual
163 self-insurer or group self-insurer belongs. The two percent (2%)
164 assessment to each individual self-insurer and to each group
165 self-insurer is to be collected by the commission until the sum of
166 Two Million Dollars (\$2,000,000.00) is accumulated by each
167 association. At that time the assessments shall be suspended.
168 However, any employer that becomes authorized under Section
169 71-3-75 to be a member self-insurer after July 1, 1996, is not
170 entitled to have the two percent (2%) assessment suspended until
171 such member self-insurer has contributed to the guaranty fund to
172 which it belongs for the first four (4) years such employer is a
173 member self-insurer * * * regardless of the amount in the guaranty

174 fund of the association to which it belongs. The two percent (2%)
175 assessment shall be reinstated for all member self-insurers of
176 the individual association or group association at any time that
177 the guaranty fund balance of the association to which they belong
178 reaches One Million Five Hundred Thousand Dollars (\$1,500,000.00)
179 and such assessment shall continue until such time as the balance
180 in the guaranty fund of their association is Two Million Dollars
181 (\$2,000,000.00). If the maximum assessment, together with the
182 other assets of an association, does not provide in any one (1)
183 year an amount sufficient to make all necessary payments, the
184 funds available in such association shall be paid as directed by
185 the commission and any unpaid portion shall be paid as soon
186 thereafter as funds in such association become available. When
187 the guaranty fund balance of the group association reaches One
188 Million Dollars (\$1,000,000.00), the commission may waive the need
189 for bonding requirements for self-funded pools.

190 (d) Investigate claims brought against the association;
191 adjust, compromise, settle and pay covered claims to the extent of
192 the association's obligations; deny all other claims; and may
193 review settlements, releases and judgments to which the member
194 self-insurer in default were parties to determine the extent to
195 which such settlements, releases and judgments may be properly
196 contested.

197 (e) Notify such persons as the commission directs under
198 Section 71-3-167(2)(a).

199 (f) Handle claims through its employees or through one
200 or more other persons designated as servicing facilities.
201 Designation of a servicing facility is subject to the approval of
202 the commission.

203 (g) Reimburse each servicing facility for obligations
204 of the association paid by the facility and for expenses incurred
205 by the facility while handling claims on behalf of the

206 association, and shall pay the other expenses of the association
207 authorized by Sections 71-3-151 through 71-3-181.

208 (2) Each association may:

209 (a) Employ or retain such persons as are necessary to
210 handle claims and perform other duties of the association.

211 (b) Sue or be sued.

212 (c) Negotiate and become a party to such contracts as
213 are necessary to carry out the purposes of Sections 71-3-151
214 through 71-3-181.

215 (d) Perform such other acts as are necessary or proper
216 to effectuate the purposes of Sections 71-3-151 through 71-3-181.

217 **SECTION 6.** Section 71-3-165, Mississippi Code of 1972, is
218 amended as follows:

219 71-3-165. (1) Each association shall submit to the
220 commission a plan of operation and any amendments thereto
221 necessary or suitable to assure the fair, reasonable and equitable
222 administration of the association. The plan of operation and any
223 amendments thereto shall become effective upon approval in writing
224 by the commission.

225 (2) If at any time an association fails to submit suitable
226 amendments to its plan, the commission shall, after notice and
227 hearings, adopt and promulgate such reasonable rules as are
228 necessary or advisable to effectuate the provisions of Sections
229 71-3-151 through 71-3-181. Such rules shall continue in force
230 until modified by the commission or superseded by a plan submitted
231 by the noncomplying association and approved by the commission.

232 (3) All member self-insurers shall comply with the plan of
233 operation of the association to which they belong. The plan of
234 operation of each association shall:

235 (a) Establish the procedures whereby all the powers and
236 duties of the association under Section 71-3-163 will be
237 performed.

238 (b) Establish procedures for handling assets of the
239 association.

240 (c) Establish the amount and method of reimbursing
241 members of the board of directors under Section 71-3-161.

242 (d) Establish procedures by which claims may be filed
243 with the association, and establish acceptable forms of proof of
244 covered claims.

245 (e) Establish regular places and times for meetings of
246 the board of directors.

247 (f) Establish procedures for records to be kept of all
248 financial transactions of the association, its agents and the
249 board of directors.

250 (g) Provide that any individual self-insurer or group
251 self-insurer aggrieved by any final action or decision of the
252 association to which it belongs may appeal to the commission
253 within thirty (30) days after the action or decision.

254 (h) Establish the procedures whereby selections for the
255 board of directors will be submitted to the commission.

256 (i) Contain additional provisions necessary or proper
257 for the execution of the powers and duties of the association.

258 (4) The plan of operation of each association may provide
259 that any or all powers and duties of the association, except those
260 under Section 71-3-163(1)(c) and Section 71-3-174, are delegated
261 to a corporation, association or other organization which performs
262 or will perform functions similar to those of the association.
263 Such a corporation, association or organization shall be
264 reimbursed as a servicing facility would be reimbursed, and shall
265 be paid for its performance of any other functions of the
266 association. A delegation under this subsection shall take effect
267 only with the approval of both the board of directors of the
268 association and the commission, and may be made only to a
269 corporation, association or organization which extends protection

270 not substantially less favorable and effective than that provided
271 by Sections 71-3-151 through 71-3-181.

272 **SECTION 7.** Section 71-3-167, Mississippi Code of 1972, is
273 amended as follows:

274 71-3-167. (1) The commission shall:

275 (a) Upon the request of an association or of any other
276 party or without any request on its own motion, enter any
277 appropriate order finding a member self-insurer to be in default
278 and to determine the date of such default and promptly notify the
279 association to which such member self-insurer belongs of the
280 existence of such default and the date of such default.

281 (b) Upon request of the board of directors of an
282 association, provide such association with a statement of
283 compensation payments of each member self-insurer of such
284 association.

285 (2) The commission may:

286 (a) Require that the group association notify the
287 member self-insurers of any group self-insurer in default and any
288 other interested parties of the default. Such notification shall
289 be by mail at their last known address, where available, but if
290 sufficient information for notification by mail is not available,
291 notice by publication in a newspaper of general circulation shall
292 be sufficient.

293 (b) Suspend or revoke, after notice and hearing, the
294 authority to self-insure granted under Section 71-3-75,
295 Mississippi Code of 1972, of any member self-insurer who fails to
296 pay an assessment when due, or fails to comply with the plan of
297 operation of the association to which it belongs. As an
298 alternative, the commission may levy a fine on any member
299 self-insurer who fails to pay an assessment when due or fails to
300 comply with the plan of operation. Such fine shall not exceed
301 five percent (5%) of the unpaid assessment per month, except that

302 no fine shall be less than One Hundred Dollars (\$100.00) per
303 month.

304 (c) Revoke the designation of any servicing facility if
305 it finds claims are being handled unsatisfactorily.

306 (3) Any final action or order of the commission under
307 Sections 71-3-151 through 71-3-181 shall be subject to judicial
308 review in a court of competent jurisdiction.

309 **SECTION 8.** Section 71-3-169, Mississippi Code of 1972, is
310 amended as follows:

311 71-3-169. (1) Any person recovering from an association
312 under Sections 71-3-151 through 71-3-181 shall be deemed to have
313 assigned his rights under the Workers' Compensation Law to such
314 association to the extent of his recovery from such association.
315 Any claimant seeking the protection of Sections 71-3-151 through
316 71-3-181 shall cooperate with the association against which claim
317 is made to the same extent as such person would have been required
318 to cooperate with the member self-insurer in default. Such
319 association shall have no cause of action under the Workers'
320 Compensation Law against the claimant * * * of the member
321 self-insurer in default for any sums it has paid out except such
322 causes of action as such member self-insurer in default would have
323 had if such sums had been paid by such member self-insurer in
324 default.

325 (2) An association may recover from the self-insurer in
326 default and from a group self-insurer in default all amounts paid
327 by such association on account of covered claims of employees of
328 the member self-insurer in default and any group self-insurer in
329 default to which such member self-insurer in default belongs, as
330 well as all expenses incurred by such association in evaluating,
331 adjusting, defending or settling covered claims of such
332 employees * * *. It shall be presumed that all amounts paid by
333 such association under this section are reasonable, necessary and
334 otherwise in compliance with this chapter. There shall be added

335 to any recovery under this section expenses of litigation of such
336 association in obtaining such recovery, interest at the rate of
337 eight percent (8%) per annum commencing on the date of such
338 default and a ten percent (10%) penalty.

339 **SECTION 9.** Section 71-3-173, Mississippi Code of 1972, is
340 amended as follows:

341 71-3-173. To aid in the detection and prevention of
342 individual self-insurer insolvencies and group self-insurer
343 insolvencies:

344 (a) The board of directors of an association may, upon
345 majority vote, request that the commission order an examination of
346 any of its member self-insurers and group self-insurers which the
347 board in good faith believes may be in a financial condition
348 hazardous to the potential claimants or the public. Upon making
349 any such request to the commission, such board of directors shall
350 recommend for commission approval persons to perform the
351 examination. The examination shall commence within thirty (30)
352 days following the commission's approval of such request for
353 examination. The commission may request a board of directors to
354 recommend for commission approval, and a board of directors can
355 request the commission to approve, alternative persons to complete
356 an examination if it is believed the examination is not being
357 performed in a timely and efficient manner. * * * The cost of
358 such examination shall be paid by the association requesting such
359 examination, and * * * examination reports shall be forwarded to
360 the commission and treated as are other examination reports. In
361 no event shall reports of such examination * * * be released to
362 the board of directors of such association prior to release to the
363 public, but this shall not preclude the commission from complying
364 with paragraph (b) of this section. The commission shall notify
365 the board of directors of such association when the examination is
366 completed. Each request for an examination by an association
367 shall be kept on file by the commission, but it shall not be open

368 to public inspection prior to the release of an examination report
369 to the public.

370 (b) It shall be the duty of the commission to report to
371 the board of directors of an association when it has reasonable
372 cause to believe that any member self-insurer or group
373 self-insurer examined or being examined at the request of the
374 board of directors of such association may be insolvent or in a
375 financial condition hazardous to potential claimants or the
376 public.

377 (c) The board of directors of an association may, upon
378 majority vote, make reports and recommendations to the commission
379 upon any matter germane to the solvency, bankruptcy or
380 reorganization of any of its member self-insurers and group
381 self-insurers. Such reports and recommendations shall not be
382 considered public documents.

383 (d) The board of directors of an association may, upon
384 majority vote, make recommendations to the commission for the
385 detection and prevention of member self-insurer insolvencies and
386 group self-insurer insolvencies.

387 (e) The board of directors of an association shall, at
388 the conclusion of any * * * insolvency, bankruptcy case or * * *
389 default * * * where such association was obligated to pay covered
390 claims, prepare a report on the history and causes of such
391 insolvency and bankruptcy, based on the information available to
392 such association, and submit such report to the commission.

393 **SECTION 10.** The following section shall be codified as
394 Section 71-3-174, Mississippi Code of 1972:

395 71-3-174. If an association assumes any obligations of an
396 individual self-insurer or group self-insurer under this chapter,
397 and payments of such obligations exceed the assets of such
398 association, such association shall within not less than sixty
399 (60) days thereafter submit for approval by the commission a plan
400 for special assessment of each individual self-insurer and group

401 self-insurer who may be responsible for payment of such
402 obligations in excess of the assets of such association. Such
403 plan for special assessment shall also include the expenses of
404 such association related to the processing of obligations covered
405 by the special assessment plan. Failure to comply with a
406 commission-approved special assessment plan of an association
407 shall create a cause of action in favor of such association
408 against any noncompliant member self-insurer and any noncompliant
409 group self-insurer for recovery of payments and expenses by such
410 association for which the noncompliant member self-insurer or
411 noncompliant group self-insurer should have been obligated. It
412 shall be presumed that all obligations paid by an association
413 pursuant to a commission-approved special assessment plan,
414 including, but not limited to, expenses associated with processing
415 such obligations, are reasonable, necessary and otherwise in
416 compliance with the requirements of this chapter. There shall be
417 added to any recovery under this section expenses of litigation of
418 such association related to such cause of action, interest at the
419 rate of eight percent (8%) per annum beginning on the date of such
420 noncompliance and a ten percent (10%) penalty.

421 **SECTION 11.** Section 71-3-175, Mississippi Code of 1972, is
422 amended as follows:

423 71-3-175. The individual association and group association
424 shall be subject to examination and regulation by the commission.
425 The board of directors of each association shall submit, not later
426 than March 30 of each year, a financial report for the preceding
427 calendar year in a form approved by the commission. The
428 commission shall furnish the board of directors of an association
429 any records of the commission which would aid in the preparation
430 of this financial report.

431 **SECTION 12.** Section 71-3-177, Mississippi Code of 1972, is
432 amended as follows:

433 71-3-177. The individual association and group association
434 shall be exempt from payment of all fees and all taxes levied by
435 this state or any of its subdivisions except taxes levied on real
436 or personal property.

437 **SECTION 13.** Section 71-3-179, Mississippi Code of 1972, is
438 amended as follows:

439 71-3-179. Subject to Section 71-3-174, there shall be no
440 liability, jointly or severally, on the part of and no cause of
441 action of any nature shall arise against any individual
442 self-insurer, any group self-insurer, association, * * * agents
443 and employees of an association, board of directors of an
444 association, and the commission and its employees and
445 representatives, or any of them, for any good faith, affirmative
446 action taken by any of them in the performance of their powers and
447 duties under Sections 71-3-151 through 71-3-181. This section
448 does not apply to individual employers who are members of a group
449 self-insurer. Such immunity shall not extend to any acts of gross
450 negligence by any such individual self-insurer, group
451 self-insurer, association, agents and employees of an association,
452 board of directors of an association and the commission and its
453 employees and representative committed in the performance of their
454 duties hereunder.

455 **SECTION 14.** Section 71-3-181, Mississippi Code of 1972, is
456 amended as follows:

457 71-3-181. All proceedings in which any individual
458 self-insurer in default or group self-insurer in default is a
459 party before the commission or in any court in this state, on
460 order of the commission, may be stayed for a period not to exceed
461 six (6) months from the date of the default to permit proper
462 defense by such association of all covered claims. If any
463 judgment, order, decision, verdict or finding is made or entered
464 against such individual self-insurer in default or group
465 self-insurer in default while the stay provided in this section is

466 effective, the association to which such individual self-insurer
467 or group self-insurer belongs may apply to have such judgment,
468 order, decision, verdict or finding set aside by the same court or
469 administrator that made such judgment, order, decision, verdict or
470 finding. Such association shall be permitted to enter its
471 appearance and defend against any covered claim which is pending
472 on the date of default or which is filed thereafter.

473 **SECTION 15.** This act shall take effect and be in force from
474 and after July 1, 2004.