

304.36-085 Stay of proceedings involving insolvent insurer -- Defense by association -- Association permitted to apply to vacate judgment based on default of insolvent insurer.

All proceedings in which the insolvent insurer is a party or is obligated to defend a party in any court in this state shall, subject to waiver by the association in specific cases involving covered claims, be stayed for six (6) months and any additional time that may be determined by the court from the date that the insolvency is determined or an ancillary proceeding is instituted in the state, whichever is later, to permit proper defense by the association of all pending causes of action. As to covered claims arising from a judgment under decision, verdict, or finding based on the default of the insolvent insurer or its failure to defend an insured, the association, either on its own behalf or on behalf of an insured, may apply to have the judgment, order, decision, verdict, or finding vacated or set aside and shall be permitted to defend the claim on its merits.

Effective: July 15, 1998

History: Created 1998 Ky. Acts ch. 99, sec. 9, effective July 15, 1998.