§ 420-i. Payment of insurance. 1. Each savings and loan association whose application for insurance under this article is approved by the fund shall be entitled to insurance up to the full withdrawal value of the accounts of each of its members and investors or in such amount as shall be established by the board of trustees, but in no event shall the maximum amount of insurance for any savings account be less than fifteen thousand dollars.

2. In the event of a default by any insured savings and loan association, payment of each insured account in such insured association shall be made by the fund as soon as possible either (1) by cash or (2) by making available to each savings account a transferred savings account in a new insured savings and loan association in the same community or in another insured savings and loan association in an amount equal to the insured savings account; provided however, that the fund, in its discretion, may require proof of claims to be filed before paying the insured accounts, and that in any case where the fund is not satisfied as to the validity of a claim for an insured account, it may require the final determination of a court of competent jurisdiction before paying such claim.