§ 1314. Deposits; custody, beneficiaries, exchanges, inspection and income. (a) (1) The superintendent shall be the official custodian of all deposits of securities required or authorized by the provisions of this chapter, unless otherwise specifically provided by law. He shall keep the same in a safe place provided by the state or in custody for his account with a bank, trust company or national bank in this state which may be designated by the depositing insurer, subject to the approval of the superintendent.

(2) All such securities shall be held by the superintendent, in trust, without preference or priority to any beneficiary entitled to share therein, for the security of the depositing insurer's policyholders within the United States, its territories and possessions, except that securities deposited by an alien insurer shall be held in trust for the security of the policyholders and creditors of the depositing insurer within the United States, its territories and possessions.

(3) Such securities may be registered in the name of the superintendent as such trustee or, at the option of the depositing insurer, may be in bearer form.

(4) "Policyholders" as used in this chapter in any provision relating to beneficiaries of deposits includes all persons having a legal or equitable right against the depositing insurer or the insured arising out of an insurance or annuity contract. "Depositing insurer" as used in this chapter includes any lawful successor in interest to such insurer.

(b) The depositing insurer shall not assign or otherwise transfer all or any part of its interest in any such deposit, without the approval of the superintendent, and any such transfer, whether voluntary or by operation of law, without such approval, shall be void. The superintendent may approve transfer of all of the depositing insurer's residuary interest in such deposit if with his approval the transferee assumes all liabilities of the transferor to the beneficiaries of such deposit.

(c) No judgment creditor or other claimant may levy upon any deposit or part thereof. Upon the making of an order by a court of competent jurisdiction for the liquidation, rehabilitation or conservation of any depositing insurer, the deposit and the income therefrom shall be transferred to the superintendent as liquidator, rehabilitator or conservator.

(d) All deposits of securities held by the superintendent which were made pursuant to any prior insurance law shall be deemed to be held in compliance with the provisions of this chapter, for the purposes for which such deposits were originally made.

(e) The depositing insurer may from time to time exchange for any deposited securities other securities eligible under the provisions of this chapter if in the opinion of the superintendent the aggregate value of such deposit will not be thereby reduced below the amount required by law.

(f) So long as the depositing insurer shall continue solvent and shall comply with the laws of this state applicable to it, the superintendent shall permit it to collect and dispose of the income on deposited securities.

(g) (1) No exchange, release or other transfer of deposited securities, or any interest therein, shall be valid unless: (i) countersigned by a member of the state tax commission or a person designated for such purpose by such commission, and (ii) requested by the depositing insurer. Except for a transfer for redemption or refunding, the depositing insurer's request must be evidenced in such manner as the superintendent requires.

(2) The department of taxation and finance and the department of financial services shall each keep a book with entries showing the name of the insurer for whose account such transfer is made by the superintendent, the name of the transferee unless made in blank, and the par value of the securities transferred.

(3) Within five days after countersigning and entering the same, the commissioner of taxation and finance shall advise by mail the insurer from whose account such transfer is made, of the kind and amount of security transferred.

(h) Every depositing insurer shall, at least once during each calendar year, cause such securities to be examined by some person duly authorized in writing. Such person shall, at the request of the superintendent, execute a certificate stating the result of such examination.