§ 7503. The Life Insurance Guaranty Corporation. (a) The non-profit body corporate known as "The Life Insurance Guaranty Corporation" created pursuant to chapter four hundred eighty-one of the laws of nineteen hundred forty-one, is hereby continued. It shall be composed of the superintendent ex-officio and one representative of each life insurance company incorporated or organized under any law of this state which shall have actively and continuously transacted business in this state for a period of at least three years prior to the effective date of article seventy-seven of this chapter. No company shall be eligible for membership in the corporation if a proceeding instituted by the superintendent pursuant to article seventy-four of this chapter is pending against it in which event such company shall not be eligible until the superintendent shall certify that it is so eligible.

(b) Every such company which shall become eligible for membership in the corporation shall, within forty-five days from the date on which it becomes so eligible, file with the superintendent a certificate designating its representative for the purposes of such corporation. Upon failure of any company to make such designation within the forty-five day period, the superintendent shall forthwith make such designation for and on its behalf and by mail give notice thereof to such company. The designation, whether made by the company or the superintendent, may be revoked by the company at any time with or without cause. Any vacancy by death, resignation or removal shall be filled in the same manner as for the original designation of a representative.

(c) Each such representative shall also be known as a director and all representatives and the superintendent shall constitute the board of directors which shall have complete charge and control of the management of the corporation in accordance with the corporate powers hereinafter set forth, including power to adopt administrative rules, regulations and by-laws advisable for the purposes and objects of the corporation. The superintendent shall be ex-officio chairman of the board.

(d) No director, officer, agent or other representative of the corporation shall be individually liable to any person, firm or corporation, including the corporation, for any act or omission to act, or for any liability incurred or assumed, on behalf of the corporation or by virtue hereof. Any such liability so incurred or assumed shall be

collectible only out of the fund; nor shall any member company be subject to any liability except for assessment as herein provided.

(e) The corporation shall be under the immediate supervision of the superintendent and shall be subject to such provisions of this chapter as the superintendent shall deem applicable.

(f) The corporation shall have the power:

(1) to use a corporate seal, to contract, to sue and be sued and to possess and exercise all powers necessary or convenient for the purposes of this article;

(2) with the approval of the superintendent, to assume, reinsure or guaranty, or cause to be assumed, reinsured or guaranteed, partially or wholly, any or all policies or contracts of any member company and to make available from the fund such sums as may be necessary for such purposes;

(3) to carry out the provisions of this article, the corporation shall have and may exercise all necessary rights, powers, privileges and franchises of a domestic life insurance company except that it shall not be authorized to issue contracts or policies unless they replace contracts or policies representing obligations in whole or in part of another domestic life insurance company or of the corporation;

(4) to borrow money for the purposes of the fund with or without security and pledge such assets in the fund as security for such loans and in connection therewith to rehypothecate any securities or collateral pledged to it by a company, provided, however, that obligations of the corporation shall be legal investments for domestic life insurance companies and to the extent authorized by the superintendent may be carried as admitted assets;

(5) to collect, or enforce by legal proceedings, if necessary, the payment of, all assessments for which any contributor may be liable under this article; to collect any obligation due to the corporation or to the fund; and

(6) to fund a resolution facility established pursuant to section seven thousand seven hundred nineteen of this chapter.

(g) The corporation shall, subject to such terms and conditions as it may impose with the approval of the superintendent, assume, reinsure or guaranty the performance of the policies and contracts issued prior to the effective date of article seventy-seven of this chapter by any

impaired or insolvent member company, and shall have power to receive, own and administer any assets acquired in connection with such assumption, reinsurance or guaranty; provided, however, that after the effective date of article seventy-seven of this chapter the corporation shall have no responsibility with respect to any claim under any such policy or contract except (i) to the extent that the amount of such claim exceeds the portion thereof that is covered under article seventy-seven of this chapter, and (ii) with respect to any claim not covered under article seventy-seven of this chapter. As to any policy not in default in the payment of premiums subsequent to any such assumption, reinsurance or guaranty, the corporation shall make prompt payment of the death benefit due under the terms of the policy.

(h) Notwithstanding any other provision of this section, no assumption by a member company after the effective date of article seventy-seven of this chapter, of the policies or contracts of another member company issued prior to the effective date of article seventy-seven of this chapter, for which assumption certificates have been issued, shall result in loss by such policies or contracts of the protection provided under this article.