§ 7719. Resolution facility. (a) The corporation may incorporate one or more not-for-profit corporations, known as a resolution facility, in connection with the liquidation of an insolvent domestic life insurance company, health insurance company, or property/casualty insurance company under article seventy-four of this chapter for the purpose of administering and disposing of the business of the insolvent insurance company.

(b) To the extent that the provisions of the not-for-profit corporation law do not conflict with the provisions of this section or the plan of operation of the resolution facility hereunder, the not-for-profit corporation law shall apply to the resolution facility and the resolution facility shall be a non-charitable corporation pursuant to the not-for-profit corporation law. If an applicable provision of this section or the plan of operation of the resolution facility hereunder relates to a matter embraced in a provision of the not-for-profit corporation law but is not in conflict therewith, then both provisions shall apply. The corporation shall be a member of the resolution facility, and other persons, including the life insurance guaranty corporation continued under article seventy-five of this chapter and guaranty entities of other states, may become members of the resolution facility in accordance with the resolution facility's certificate of incorporation and plan of operation.

(c) In addition to its certificate of incorporation, a resolution facility shall submit to the superintendent a plan of operation, and amendments thereto, necessary or suitable to assure the fair, reasonable, and equitable administration of the resolution facility. The plan of operation, and any amendments thereto, shall become effective upon approval in writing by the superintendent. The plan of operation shall constitute the bylaws of the resolution facility.

(d) A resolution facility may:

(1) guarantee, assume, or reinsure, or cause to be guaranteed, assumed, or reinsured, the covered policies, or arrange for replacement by policies found by the superintendent to be substantially similar to the covered policies;

(2) exercise, for the purposes of this article and to the extent approved by the superintendent, the powers of a domestic life insurance company, health insurance company, or property/casualty insurance

company but in no case may the resolution facility issue insurance policies, annuity contracts, funding agreements, or supplemental contracts other than those issued to perform the contractual obligations of the impaired or insolvent insurer;

(3) assure payment of the contractual obligations of the insolvent insurer; and

(4) provide such moneys, pledges, notes, guarantees, or other means as are reasonably necessary to discharge its duties.

(e) A resolution facility shall not be subject to any provisions of this chapter or the financial services law except:

(1) this section; and

(2) sections seven thousand seven hundred fourteen, seven thousand seven hundred fifteen, and seven thousand seven hundred sixteen of this article, which shall apply in the same manner as they apply to the corporation.

(f) Notwithstanding subsection (e) of this section, the superintendent may address to the resolution facility any inquiry in relation to its transactions or condition or any matter connected therewith pursuant to section three hundred eight of this chapter.

(g) (1) If the superintendent determines that the resolution facility is not administering and disposing of the business of an insolvent domestic life insurance company, health insurance company, or property/casualty insurance company consistent with the resolution facility's certificate of incorporation, plan of operation, or this section, then the superintendent shall provide notice to the resolution facility and the resolution facility shall have thirty days to respond to the superintendent and cure the defect.

(2) If, after thirty days, the superintendent continues to believe that the resolution facility is not administering and disposing of the business of an insolvent domestic life insurance company, health insurance company, or property/casualty insurance company consistent with the resolution facility's certificate of incorporation, plan of operation, or this section, then the superintendent may apply to the court for an order directing the resolution facility to correct the defect or take other appropriate actions.