

§ 97-135. Insolvency.

A member self-insurer shall be insolvent for the purposes of this Article under any of the following circumstances:

- (1) Determination of insolvency by a court of competent jurisdiction.
- (2) Institution of bankruptcy proceedings by or regarding the member self-insurer.
- (3) The Board determines that the member self-insurer's total liabilities exceed its total assets or the member self-insurer is unable or ceases to pay its debts as they fall due or in the ordinary course of business.
- (4) A member self-insurer is deemed to be insolvent, bankrupt, or in default as defined by the terms of any security instrument created pursuant to the Association Aggregate Security System. (1985 (Reg. Sess., 1986), c. 1013, s. 1; 1987, c. 528, s. 12; 2005-400, s. 6.1.)