

§ 1394.1. Complaint for involuntary dissolution of plan

Notwithstanding any other provision of law, the director may file a verified complaint for involuntary dissolution of a health care service plan on any one or more of the grounds specified in subdivision (b) of Section 1386. The complaint shall be filed in the superior court of the county where the principal executive office of the health care service plan is located or, if the principal executive office of the health care service plan is not located in this state, or the health care service plan has no such office, the County of Sacramento.

HISTORY:

Added Stats 1985 ch 908 § 5. Amended Stats 1999 ch 525 § 145 (AB 78), effective January 1, 2000, operative July 1, 2000.

§ 1394.2. Priority of claims.

Notwithstanding any other provision of law, in any involuntary dissolution of a health care service plan as provided for in Section 1394.1, or other insolvency proceeding involving a health care service plan, the following expenses and claims have priority in the following order:

(a) First, administrative expenses allowed by the superior court and any fees and charges assessed against the estate of the dissolved health care service plan in conjunction with the dissolution of the estate.

(b) Second, taxes due the State of California.

(c) Third, claims having preference by the laws of the United States and by the laws of this state.

(d) Fourth, claims of health care service plan subscribers and enrollees for reimbursement for services rendered by noncontracting providers. Upon proper showing, the superior court may make an order relieving subscribers and enrollees from liability or stay any proceeding to secure payment for any services rendered by a noncontracting provider upon payment, in whole or in part, of the claim or claims of those noncontracting providers.

(e) Fifth, claims of health care service plan group contract holders for

reimbursement for services rendered by noncontracting providers to subscribers and enrollees under the group contract.

(f) Sixth, any and all claims, including all officers' and directors' claims for indemnity, arising against the estate of the dissolved health care service plan.

HISTORY:

Added Stats 1985 ch 908 § 6.