

April 15, 1999

**H 1186. UNEARNED PREMIUM RESERVES. TO REVISE THE LAW GOVERNING THE UNEARNED PREMIUM RESERVE OF DOMESTIC TITLE COMPANIES.** Amends GS 58-26-25 to require domestic title insurance companies to reserve as an unearned premium reserve 10% of the direct premiums written and the premiums for reinsurance assumed less premiums for reinsurance ceded during the year. Provides for annual reduction of this amount over 20 years in accordance with the percentages in amended GS 58-26-25(c). Requires companies to establish a supplemental reserve to cover liability for losses, claims, and loss adjustment expenses. Also requires companies to file with annual statement a certification of membership in good standing with the American Academy of Actuaries. Effective Oct. 1, 1999.

**Intro. by Miner.**

Ref. to Insurance

GS 58

April 23, 1999

**H 1186. UNEARNED PREMIUM RESERVES.** Intro. 4/15/99. House committee substitute makes the following changes to 1st edition. GS 58-26-25(a) provides that the unearned premium reserve of every domestic title insurance company consists of two parts, one of which is the amount of the unearned premium reserve held as of Jan. 1, 1974. The original bill changed that date to Jan. 1, 1999. This committee substitute changes it to Dec. 31, 1998 and provides that the entire amount of the unearned premium reserve held as of Dec. 31, 1998 shall be accorded a fresh start and be released from said reserve and restored to net profits in accordance with percentages set out in the original bill.