

October 2, 2002

**H 1120. BEACH AND FAIR PLAN AMENDMENTS (NEW).** Intro. 4/9/01. Senate committee substitute and amendment make the following changes to 2nd edition. Completely new bill provides as follows: (1) requires NC Underwriters Ass'n to issue homeowners' insurance policies for principal residences for those in the beach and coastal areas who are unable to obtain policies from insurers writing policies in the state; policies may not be more favorable than those available in voluntary market in beach and coastal counties; (2) requires Comm'r of Insurance to study Beach Plan and Fair Plan regarding availability of homeowners' insurance coverage statewide as well as in beach and coastal areas; (3) provides for immediate temporary binding authority of agents accepting applications to Beach Plan; (4) require Beach and Fair Plans to maintain unearned premium reserves and reserves for losses; (5) provides that Beach and Fair Plans are subject to open meetings law; (6) amends GS 58-5-63 to provide that if company fails to pay its liabilities under workers' compensation, Comm'r of Insurance may liquidate company's deposits and use proceeds to pay those liabilities until company becomes subject of final order of liquidation with finding of insolvency; after liquidation balance of proceeds to be delivered to NC Insurance Guaranty Ass'n. Provision for homeowners' insurance policies in beach and coastal areas effective May 1, 2003; remainder of bill effective when it becomes law.