

March 15, 2001

**S 459. INSURANCE FINANCIAL AMENDMENTS.** TO AMEND NORTH CAROLINA'S INSURANCE LAWS CONCERNING INSURANCE COMPANY RESERVING METHODS, LICENSING PROVISIONS, REINSURANCE FOR DOMESTIC COMPANIES, DOMESTIC COMPANY FORMATION, SOLVENCY PROTECTION, LIFE INSURANCE COMPANY VARIABLE ACCOUNTS, CONSOLIDATIONS, INVESTMENTS, MUTUAL INSURANCE COMPANIES, REINSURANCE INTERMEDIARIES, MORTGAGE GUARANTY INSURANCE, RISK-BASED CAPITAL REQUIREMENTS, ASSET PROTECTION, FOREIGN INSURANCE COMPANIES, PROMOTING AND HOLDING COMPANIES, HOLDING COMPANY SYSTEMS, SURPLUS LINES INSURANCE, RISK RETENTION GROUPS, INSURANCE COMPANY RECEIVERSHIPS, MANAGING GENERAL AGENTS, SELF-INSURED WORKERS' COMPENSATION, AND CONTINUING CARE RETIREMENT COMMUNITIES. Identical to H 347 introduced 3/1/01.

**Intro. by Wellons.**

Ref. to Insurance	GS 58
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April 17, 2001

**S 459. INSURANCE FINANCIAL AMENDMENTS.** Intro. 3/15/01. Senate committee substitute makes the following changes to 1st edition. Original bill permits insurance company investments in foreign country or alien corporation, with one limitation being that the cost of such investments is not to exceed one percent of company's admitted assets. Committee substitute increases limit to three percent of admitted assets. Original bill deleted GS 58-34-2(j)(3); substitute reinstates that paragraph. Amends GS 58-64-005(a) to make it a Class 1 misdemeanor for any person not licensed under Article to advertise or market to public any product similar to continuing care. Amends GS 58-64-20 to require that provider's disclosure statement be in plain English and to permit Department to regulate such statement. Amends GS 58-64-40(b) to require semiannual meetings of board of directors or other governing body of facility (original bill required quarterly meetings). Amends GS 58-5-70, 58-30-10(12), 58-30-10(19), and 58-48-95(c) to set a \$50 threshold for insurer insolvency refunds; makes change effective as to pending estates.

Amends the title to add the following: *AND TO ALLOW NORTH CAROLINA DOMESTIC INSURANCE COMPANIES TO FORM PROTECTED CELLS TO ACCESS ALTERNATIVE SOURCES OF CAPITAL AND ACHIEVE THE BENEFITS OF SECURITIZATION.* Adds new GS Ch. 58, Art. 10, Part 4, as revised title indicates, permitting domestic insurance companies to establish protected cells from identified assets and liabilities, subject to approval by the Commissioner of Insurance and pursuant to act.

June 19, 2001

**SL 2001-223 (S 459). INSURANCE FINANCIAL AMENDMENTS.** AN ACT TO AMEND NORTH CAROLINA'S INSURANCE LAWS CONCERNING INSURANCE COMPANY RESERVING METHODS, LICENSING PROVISIONS, REINSURANCE FOR DOMESTIC COMPANIES, DOMESTIC COMPANY FORMATION, SOLVENCY PROTECTION, LIFE INSURANCE COMPANY VARIABLE ACCOUNTS, CONSOLIDATIONS, INVESTMENTS, MUTUAL INSURANCE COMPANIES, REINSURANCE INTERMEDIARIES, MORTGAGE GUARANTY INSURANCE, RISK-BASED CAPITAL REQUIREMENTS, ASSET PROTECTION, FOREIGN INSURANCE COMPANIES, PROMOTING AND HOLDING COMPANIES, HOLDING COMPANY SYSTEMS, SURPLUS LINES INSURANCE, RISK RETENTION GROUPS, INSURANCE COMPANY RECEIVERSHIPS, MANAGING GENERAL AGENTS, SELF-INSURED WORKERS' COMPENSATION, AND CONTINUING CARE RETIREMENT COMMUNITIES; AND TO ALLOW NORTH CAROLINA DOMESTIC INSURANCE COMPANIES TO FORM PROTECTED CELLS TO ACCESS ALTERNATIVE SOURCES OF CAPITAL AND ACHIEVE THE BENEFITS OF SECURITIZATION. Summarized in *Daily Bulletin* 3/15/01 and 4/17/01. Enacted June 15, 2001. Effective June 15, 2001, except as otherwise provided.