

March 20, 2003

S 471. AMEND SELF-INSURANCE GUARANTY ASSOC. LAWS. TO AMEND THE LAWS GOVERNING THE SELF-INSURANCE GUARANTY ASSOCIATION. Amends GS 97-133(a)(2) to increase assessment due from individual and group Ass'n members to 2% (was, .25%); to require payment of prior year's assessment no later than May 15 (was, Sept. 15); and to delete provision requiring that assessments be credited towards self-insurers' Ch. 105, Art. 8B taxes. Deletes GS 97-133(a)(4) requirement that Ass'n pay claims prior to effective date of Art. and GS 97-185(b), which allowed self-insurers 24 months to comply with sec. Further amends GS 97-185 to increase percentage of total claim liability that self-insurers must deposit with Comm'r of Insurance as follows: (1) 50% (was, 25%), effective upon enactment; (2) 75%, effective Jan. 1, 2005; (3) 100%, effective Jan. 1, 2006; and (4) 125%, effective Jan. 1, 2007. Requires that if surety bonds are deposited with Comm'r the surety shall reimburse Comm'r for any collection costs, including attorney's fees, and costs of administering insolvent insurer's workers' compensation claims. Creates new GS 97-185(c)(4a) allowing insurers to deposit irrevocable letters of credit as prescribed by Comm'r and amends GS 97-185(e), authorizing Comm'r to draw on letter of credit when issuing bank is not acceptable to Comm'r. Amends GS 97-141 to provide that 60-day stay period commences on date Ass'n is notified of claim or proceeding under Ch. (was, upon notice of insolvency only). Amendments to GS 97-185 effective Jan. 1, 2004. Unless otherwise indicated, other amendments effective when act becomes law.

Intro. by Hartsell.

Ref. to Judiciary II	GS 97
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April 24, 2003

S 471. AMEND SELF-INSURANCE GUARANTY ASSOC. LAWS. Intro. 3/20/03. Senate committee substitute makes the following changes to 1st edition. Adds new GS 97-185(b1) to provide that despite subsection (a), member self-insurers with debt rating of BBB or better from Standard and Poor's Rating Service or equivalent rating from another national rating service must deposit with Comm'r amount not less than 25 percent of self-insurer's total undiscounted outstanding claim liability per most recent certification from qualified actuary, but not less than \$500,000. Comm'r may increase or reduce deposit as specified in subsection. Adds new GS 97-185(c)(4b) to provide that reimbursement of attorneys' fees and collections provided in subdivisions (4) and (4a) shall be no greater than 15 percent of penal amount of bond and shall not come from proceeds of bond or letter of credit but shall be in addition to proceeds of bond or letter of credit. Deletes section 6 of original bill that would have amended, effective Jan. 1, 2007, amount of deposit in GS 97-185(a) as amended by other sections of bill.

June 3, 2003

SL 2003-115 (S 471). AMEND SELF-INSURANCE GUARANTY ASSOCIATION LAWS. AN ACT TO AMEND THE LAWS GOVERNING THE SELF-INSURANCE GUARANTY ASSOCIATION. Summarized in *Daily Bulletin* 3/20/03 and 4/24/03. Enacted June 1, 2003. Section 3 is effective January 1, 2004. Section 4 of this act is effective January 1, 2005. Section 5 is effective January 1, 2006. The remainder of this act is effective June 1, 2003.