

March 16, 2005

S 578. INTERSTATE INSURANCE PRODUCT REG. COMPACT. TO ESTABLISH NORTH CAROLINA AS A MEMBER OF THE INTERSTATE INSURANCE PRODUCT REGULATION COMPACT, TO REQUIRE THE COMMISSIONER OF INSURANCE TO REPORT WHETHER CONTINUED PARTICIPATION BY THIS STATE IN THE COMPACT IS IN THE BEST INTEREST OF THE CITIZENS AND POLICYHOLDERS OF THIS STATE, AND TO PROVIDE A SUNSET FOR PARTICIPATION IN THE COMPACT. Enacts new Article 90 of GS Chapter 58 entitled "Interstate Insurance Product Regulation Compact Act." The purpose of the Act is to facilitate the State's joining with other states to establish an interstate compact to regulate designated insurance products (the Interstate Insurance Product Regulations Compact) and to become a member of the Interstate Insurance Product Regulation Commission. The Act sets forth the powers and organization of the Commission in new GS 58-90-20 and 58-90-25 respectively. The Commission is to have the power to develop uniform standards for insurance product lines, receive and provide prompt review of products filed with the Commission, and approve product filings, rate filings, and advertisements satisfying applicable uniform standards. The Commission must collect a filing fee from each person filing a product with the Commission, in order to fund the Commission's operations. The Commission may promulgate rules that have the force and effect of law and are binding in each of the compacting states. Each compacting state will have one voting member on the Commission. A two-thirds vote is required for Commission action. New GS 58-90-35 provides that a compacting state may opt out of a uniform standard either by legislation or by regulation promulgated by the state's insurance dep't pursuant to the state's administrative procedure act. The Commissioner of Insurance is to submit a final report to the General Assembly no later than January 1, 2009, on the effectiveness of the State's participation in the compact. Effective October 1, 2005, and expires October 1, 2009.

Intro. by Dalton.

Ref. to Commerce

GS 58