

March 17, 2005

S 615. INSURANCE TECHNICAL CORRECTIONS. TO MAKE TECHNICAL CORRECTIONS TO THE INSURANCE LAWS OF THE STATE. Repeals GS 58-58-310, an obsolete provision.

Intro. by Thomas.

Ref. to Commerce

GS 58

June 27, 2006

S 615. INSURANCE TECHNICAL CORRECTIONS. Filed 3/16/05. House committee substitute makes the following changes to 1st edition. Deletes provision repealing GS 58-59-310 (obsolete statutory reference). Adds new Parts I-III as follows.

Part I. Technical Corrections and Clarifications. (1) Makes grammatical corrections and deletes obsolete and incorrect statutory references in various sections of GS Chapter 58 and in GS 97-7. (2) Amends GS 58-30-125(a) to provide that a notice to creditors may also be made by facsimile and electronic mail and to delete the references to telecopiers and telegrams. Also amends GS 58-30-125(b) to provide that the liquidator need not require that persons claiming unearned premiums on property or casualty insurance file claims. (3) Amends GS 58-30-180(a) to extend the deadline for the liquidator to apply to the court for approval of a proposal to distribute assets, from 120 days to 12 months after a final determination of the insurer's insolvency. Amends GS 58-37-35(b)(1) to require that the NC Motor Vehicle Reinsurance Facility reinsure for motor vehicle property damage liability at \$25,000 per accident (was, per person). (4) Amends GS 58-50-40(i) to also require that an insurance fiduciary (was, an insurer only) notify each subscriber and certificate holder of the termination of a group health insurance contract.

Part 2. Substantive Corrections and Clarifications. (1) Amends GS 20-45(c) to delete license and registration plates from the list of the items that a law enforcement officer is required to retain pending the entry of final judgment in a related criminal proceeding. Also amends GS 20-45(d) to require that a law enforcement officer who seizes a registration plate (but not a fictitious registration plate) return the plate to the Division of Motor Vehicles within ten business days. (2) Adds new GS 20-288(f) and (g), effective October 1, 2006, to authorize the cancellation of a corporate surety bond prior to the next premium anniversary date for specified reasons and to authorize a corporate surety to refuse to renew a surety bond by giving or mailing written notice of nonrenewal to the license holder and the Commissioner at least 30 days prior to the bond's premium anniversary date. (3) Amends GS 58-2-240 to narrow the categories of confidential information that are not subject to public disclosure to include only market analysis, documents arising from a market conduct action, and financial statement analysis work papers (was, market analysis documents and financial analysis document, ratios, programs, findings, and other information in the custody of the Department of Insurance). Act also revises definition of "market analysis" and adds definitions for "financial statement analysis," "financial statement analysis work papers," and "insurer." Enacts new GS 58-2-240(d) to clarify that section does not limit public access to financial or actuarial information or calculations filed for rating purposes. (4) Enacts new GS 58-2-245 to provide that the Department of Insurance (DOI) is not required to redact employer taxpayer identification numbers from documents made available to the general public, notwithstanding the GS 132-1.10(b)(5) prohibition against disclosing a person's identifying information. (5) Amends GS 58-21-35 to require that a surplus lines licensee include in its report an acknowledgment (was, required that the licensee submit an affidavit) that the licensee has complied with GS 58-21-15 (requiring that the licensee confirm that it has made a diligent search to obtain coverage from a licensed insurer). (6) Amends GS 58-21-45(f) to require that a surplus lines policy include a warning that the insurer is unlicensed in 12 point (was 10 point) type. Also provides that the type may either be in a contrasting color or underlined and in bold print (was, contrasting color). (7) Amends GS 58-33-95 to also make a third party administrator personally liable if the administrator sells insurance on behalf of an unlicensed administrator and to define "third party administrator." (8) Adds new GS 58-58-145(d) to provide that the requirement that an insurer issue certificates to persons covered by a group annuities does not apply to annuities used to fund certain employee pension, 401(K), governmental or church, or deferred compensation plans.

Part III. Holding Company Act and Related Amendments. The following amendments are effective December 31, 2006. (1) Amends GS 58-7-130(b) to authorize a domestic stock insurance company to declare and pay dividends or other distributions to its stockholders from sources other than unassigned surplus with the Commissioner of Insurance's approval. Defines "unassigned surplus." (2) Amends GS 58-19-25(d) to require that a domestic insurer report all dividends and other distributions to shareholders within five (was, fifteen) business days following the declaration and at least thirty days before the payment. (3) Amends GS 58-19-30(c) to delete provision authorizing an insurer (other than a life insurer) to carry forward net income from the previous two calendar years in determining whether a dividend or distribution is extraordinary. (4) Adds new GS 58-19-30(d)(11) to require that the quality of the insurer's earnings also be considered in determining whether an insurer's surplus is reasonable.

July 17, 2006

SL 2006-105 (S 615). INSURANCE TECHNICAL CORRECTIONS. AN ACT TO MAKE TECHNICAL AND SUBSTANTIVE CORRECTIONS AND CLARIFICATIONS TO THE INSURANCE LAW AND TO AMEND THE INSURANCE HOLDING COMPANY ACT AND A RELATED STATUTE TO STRENGTHEN THE SOLVENCY OF NORTH CAROLINA INCORPORATED INSURERS. Summarized in *Daily Bulletin* 3/17/05 and 6/27/06. Enacted July 13, 2006. Section 2.3 is effective October 1, 2006. Sections 3.1–3.4 are effective December 31, 2006. The remainder is effective July 13, 2006.