

March 12, 2007

H 588. UPDATE THE UNAUTHORIZED INSURERS LAWS. Filed 3/12/07. *TO UPDATE AND IMPROVE LAWS COVERING UNAUTHORIZED INSURERS.*

Amends GS 58-28-45 (Unauthorized insurers; prohibited acts) to increase violations from a Class 3 misdemeanor as follows: (1) violations of subsections (a), (b), (c), and (k) are a Class H felony; and (2) violations of subsections (e), (f), and (g) are Class 1 misdemeanor subject only to a fine. Also prohibits anyone from acting as an officer, director, or controlling person for a person violating subsections (a), (b), or (c). Provides that a person violating the section is strictly liable for losses or unpaid claims if an unauthorized insurer fails to pay any claim or loss within the provision of the insurance contract issued in violation of the article. Also allows a civil action to be filed regardless of whether a criminal action is brought or a conviction is obtained. Amends GS 58-28-20 to include violation of GS 58-33-45 as a violation for which the Commissioner of Insurance may issue a cease and desist order. Amends GS 58-33-95 (representing unlicensed company) to impose joint and several liability for violations of the section. Makes conforming and technical changes. Effective for offenses committed on or after December 1, 2007.

Intro. by Goforth.

GS 58

July 10, 2007

H 588. UPDATE THE UNAUTHORIZED INSURERS LAWS. Filed 3/12/07. Senate committee substitute makes the following changes to 1st edition. Makes a technical correction in Section 2 by adding a cross-reference to GS 58-28-45. Effective when the act becomes law, amends GS 58-28-5(a) to exclude an activity in the state by or on behalf of a captive insurer that insures solely the risks of the company's parent and affiliated companies from the requirement that a company have a license to enter into a contract of insurance as an insurer or to transact insurance business in the state.

July 31, 2007

SL 2007-305 (H 588). UPDATE THE UNAUTHORIZED INSURERS LAWS. AN ACT TO UPDATE AND IMPROVE LAWS COVERING UNAUTHORIZED INSURERS. Summarized in *Daily Bulletin* 3/12/07 and 7/10/07. Enacted July 28, 2007. Section 4 is effective July 28, 2007. The remainder is effective December 1, 2007.