

March 14, 2007

H 737. INSURANCE FINANCIAL OMNIBUS ACT. Filed 3/14/07. *TO MAKE CHANGES IN THE LAWS RELATING TO THE MONITORING OF SOLVENCY OF INSURANCE COMPANIES AND OTHER RISK-BEARING ENTITIES REGULATED BY THE COMMISSIONER OF INSURANCE*

Amends GS 58-7-15 regarding the definitions of *credit insurance* and *mortgage guaranty insurance*. Amends GS 58-10-125 to specify that a mortgage guaranty insurer must maintain a minimum policyholders position of not less than one twenty-fifth of the insurer's aggregate insured risk outstanding and deletes previous detailed provisions on policyholders position. Amends GS 58-10-135 to specify that a mortgage guaranty insurer must make an annual contribution to the contingency reserve of 50% of the net earned mortgage guaranty premium and to specify that withdrawals can be made from the contingency reserve when incurred losses and loss expenses exceed 35% of the net earned premium. Enacts new GS 58-10-145 to provide that mortgage guaranty insurance companies that transact any other kind of insurance are not eligible to transact business in the state (except that a mortgage guarantee insurance company may assume reinsurance for credit insurance until December 31, 2012). The above provisions are effective July 1, 2007.

Amends GS 58-7-200(e) to provide that insurers may advance funds to directors, officers, or controlling shareholders for expenses reasonably expected to be incurred in the insurer's ordinary course of business. Amends GS 58-30-10 to delete a reference to Article 5 of GS Chapter 97 in the definition of *insurer* in Article 30, regarding supervision, rehabilitation, and liquidation of insurers. Amends GS 58-89A-75 to require a person operating under a de minimis registration that ceases to satisfy those requirements to apply for a professional employer organization license and sets procedures for the same. Effective October 1, 2007, enacts new Part 6 of Article 10 of GS Chapter 58 to require an annual opinion of an appointed actuary for every property and casualty insurance company doing business in the state and includes procedures and provisions related to these statements of actuarial opinion. Revises provisions of Standard Valuation Law in GS 58-58-50(b) regarding the Commissioner's annual valuation of reserve liabilities. Makes other technical and conforming changes. Except as noted, effective when it becomes law.

Intro. by Goforth, Holliman.

GS 58

June 29, 2007

SL 2007-127 (H 737). INSURANCE FINANCIAL OMNIBUS ACT. AN ACT TO MAKE CHANGES IN THE LAWS RELATING TO THE MONITORING OF SOLVENCY OF INSURANCE COMPANIES AND OTHER RISK-BEARING ENTITIES REGULATED BY THE COMMISSIONER OF INSURANCE. Summarized in *Daily Bulletin* 3/14/07. Enacted June 27, 2007. Sections 1–7 are effective July 1, 2007. Section 15 is effective October 1, 2007. The remainder is effective June 27, 2007.