

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2011

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HOUSE BILL 501
PROPOSED COMMITTEE SUBSTITUTE H501-PCS11207-TG-18

Short Title: Credit Union Ownership of Ins. Co.

(Public)

Sponsors:

Referred to:

March 30, 2011

A BILL TO BE ENTITLED

AN ACT TO PROVIDE FOR THE OWNERSHIP OF INSURANCE COMPANIES BY
CREDIT UNIONS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 54-109.21(22) reads as rewritten:

"(22) Purchase or make available insurance for its directors, officers, agents, employees, and members; insurance may be provided through any insurance company or through any subsidiary insurance company owned by the credit union; and".

SECTION 2. G.S. 54-109.75 is amended by adding a new subsection to read:

"(c) Insurance may be provided through any insurance company or through any subsidiary insurance company owned by the credit union."

SECTION 3. G.S. 54-109.82 reads as rewritten:

"§ 54-109.82. **Investment of funds.**

The capital, deposits, undivided profits and reserve fund of the corporation may be invested only in any of the following ways:

...

(2) In capital shares, obligations, or preferred stock issues of any ~~agency~~agency, company, or association organized either as a stock company, mutual association, or membership corporation, provided the membership or stockholdings, as the case may be, of the ~~agency~~agency, company, or association are confined or restricted to credit unions or organizations of credit unions, or provided the purpose for which the ~~agency~~agency, company, or association is organized or designed is to service or otherwise assist credit union operations.

...

(7) In an aggregate amount not to exceed twenty-five percent (25%) of the allocations to the reserve fund in any ~~agency~~agency, company, or association of the type described in subdivision (2) of this section provided the purposes of the ~~agency~~agency, company, or association are designed to assist in establishing and maintaining liquidity, solvency, and security in credit union operations.

...."

SECTION 4. G.S. 58-7-162(1) reads as rewritten:



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1 "(1) Cash in the possession of the insurer, or in transit under its control, and
2 including the true balance of any deposit in a solvent United States bank,
3 savings and loan association, credit union, or trust company, and the balance
4 of any such deposit in an insolvent United States bank, savings and loan
5 association, credit union, or trust company, to the extent insured by a federal
6 agency."

7 **SECTION 5.** G.S. 58-7-172 reads as rewritten:

8 "**§ 58-7-172. Cash and deposits.**

9 An insurer may have funds in coin or currency of the United States on hand or on deposit in
10 any solvent national or state bank, savings and loan association, credit union, or trust
11 company."

12 **SECTION 6.** G.S. 58-7-173(14) reads as rewritten:

13 "(14) Share or savings accounts of credit unions, savings and loan associations or
14 building and loan associations."

15 **SECTION 7.** This act becomes effective October 1, 2011.