

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1989

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HOUSE BILL 2122

Short Title: Insurance Department Fees - 1.

(Public)

Sponsors: Representative Beall.

Referred to: Commerce.

May 25, 1990

A BILL TO BE ENTITLED

AN ACT TO INCREASE VARIOUS FEES AND CREATE NEW FEES CHARGED BY THE DEPARTMENT OF INSURANCE.

The General Assembly of North Carolina enacts:

Section 1. G.S. 58-6-5 reads as rewritten:

"§ 58-6-5. Schedule of fees and charges.

The Commissioner of Insurance shall collect and pay into the State treasury fees and charges as follows:

(1) For filing and examining statement preliminary to admission, a nonrefundable fee of twenty dollars (\$20.00) five hundred dollars (\$500.00) to be submitted with such filing; for filing and auditing annual statement, ten dollars (\$10.00) one hundred dollars (\$100.00); for filing any other papers required by law, one dollar (\$1.00) twenty-five dollars (\$25.00); for each certificate of examination, condition, or qualification of company or association, two dollars (\$2.00) ten dollars (\$10.00); for each seal when required, two dollars (\$2.00) ten dollars (\$10.00); for filing charter and other papers of a fraternal order, preliminary to admission, twenty five dollars (\$25.00) for a list of licensed insurance companies, ten dollars (\$10.00).

(2) Repealed by Session Laws 1977, c. 376, s. 2.

(3) The Commissioner shall receive for copy of any record or paper in his office fifty cents (50¢) per copy sheet and one dollar (\$1.00) ten dollars (\$10.00) for certifying same, or any fact or data from the records of his office; for examination of any foreign company, not less than forty

1 dollars (\$40.00) per diem and all expenses or the fees as prescribed by  
2 the Examination Committee of the National Association of Insurance  
3 Commissioners, and for examining any domestic company, actual  
4 expenses incurred; for the examination and approval of charters of  
5 companies, ~~five dollars (\$5.00)~~ twenty-five dollars (\$25.00).  
6 Notwithstanding the provisions of G.S. 138-6, the Commissioner of  
7 Insurance is authorized to pay examiners an amount in lieu of traveling  
8 expenses equal to the rate charged to and collected from the  
9 companies, associations or orders. For the investigation of tax returns  
10 and the collection of any delinquent taxes disclosed by such  
11 investigation, the Commissioner may, in lieu of the above per diem  
12 charge, assess against any such delinquent company the expense of the  
13 investigation and collection of such delinquent tax, a reasonable  
14 percentage of such delinquent tax, not to exceed ten per centum (10%)  
15 of such delinquency, and in addition thereto.

16 (4) He shall collect all other fees and charges due and payable into the  
17 State treasury by any company, association, order, or individual under  
18 his Department.

19 (5) The Commissioner shall charge and insurers shall pay, as a  
20 prerequisite to receipt and review by the Commissioner of policy form  
21 or rate filings, a nonrefundable fee of fifty dollars (\$50.00) per policy  
22 form filing submitted for approval and a nonrefundable fee of fifty  
23 dollars (\$50.00) per rate filing submitted. Payment of the fee shall be  
24 made at the time the form or rate filing is submitted. If an insurer fails  
25 to pay the fee at the time of submittal, the Commissioner shall return  
26 the filing to the insurer; and any statutory time periods relating to the  
27 filing shall be tolled until the insurer remits the fee with the  
28 resubmitted filing. As used in this subdivision, 'insurer' includes an  
29 entity subject to Articles 65 through 67 of this Chapter; and 'policy  
30 form' includes an endorsement, rider, or an amendment to a policy that  
31 has already been approved by the Commissioner."

32 Sec. 2. G.S. 58-6-15 reads as rewritten:

33 **"§ 58-6-15. Licenses run from July 1; ~~pro rata~~ payment.**

34 The license required of insurance companies shall continue for the next ensuing 12  
35 months after July 1 of each year, unless revoked as provided in Articles 1 through 64 of  
36 this Chapter; ~~but the Commissioner of Insurance may, when the annual license tax exceeds~~  
37 ~~twenty five dollars (\$25.00), receive from applicants after July 1 so much of the license fee~~  
38 ~~required by law as may be due pro rata for the remainder of the year, beginning with the first~~  
39 ~~day of the current month.~~ Application for renewal of the company license must be  
40 submitted on or before the first day of March on a form to be supplied by the  
41 Commissioner ~~of Insurance~~. Upon satisfying himself that the company has met all  
42 requirements of law and appears to be financially solvent he shall forward the renewal  
43 license to the company. Any company which does not qualify for a renewal license

1 before July 1 shall cease to do business in the State of North Carolina as of July 1,  
2 unless its license is sooner revoked by the Commissioner.

3 ~~Before issuing any license for the year, beginning July 1, 1955, the Commissioner~~  
4 ~~shall collect, in addition to the annual license fee, a pro rata fee for the three months of~~  
5 ~~April, May and June, 1955, collection of which fee shall extend licenses expiring April~~  
6 ~~1, 1955, until July 1, 1955, if accepted by the Commissioner of Insurance.~~

7 Nothing contained in this section shall be interpreted as applying to licenses issued to  
8 individual representatives of insurance companies."

9 Sec. 3. G.S. 105-228.4(a) reads as rewritten:

10 "(a) Each ~~and every~~ insurance company shall, as a condition precedent for doing  
11 business in this State, on or before the first day of March of each year apply for and  
12 obtain from the Commissioner of Insurance a certificate of registration, or license,  
13 effective the first day of July, and shall pay for such certificate the following annual fees  
14 except as hereinafter provided in subsections (b) and (c):

15 For each domestic farmer's mutual assessment fire	
16 insurance company or association, and each branch	
17 thereof	\$10.00-\$25.00
18 For each fraternal order	25.00-500.00
19 For each of all other insurance companies, except	
20 mutual burial associations taxed under G.S.	
21 105-121.1	300.00-500.00

22 The fees levied above shall be in addition to those specified in G.S. 58-6-5."

23 Sec. 4. G.S. 58-65-55 reads as rewritten:

24 "**§ 58-65-55. Issuance of certificate.**

25 Before issuing any such license or certificate the Commissioner ~~of Insurance~~ may  
26 make such an examination or investigation as he deems expedient. The Commissioner  
27 ~~of Insurance~~ shall issue a certificate of authority or license upon the payment of an  
28 annual fee of ~~one hundred dollars (\$100.00)~~ five hundred dollars (\$500.00) and upon  
29 being satisfied on the following points:

- 30 (1) The applicant is established as a bona fide nonprofit hospital service  
31 corporation as defined by this Article and Article 66 of this Chapter.
- 32 (2) The rates charged and benefits to be provided are fair and reasonable.
- 33 (3) The amounts provided as working capital of the corporation are  
34 repayable only out of earned income in excess of amounts paid and  
35 payable for operating expenses and hospital and medical and/or dental  
36 expenses and such reserve as the Department ~~of Insurance~~ deems  
37 adequate, as provided hereinafter.
- 38 (4) That the amount of money actually available for working capital be  
39 sufficient to carry all acquisition costs and operating expenses for a  
40 reasonable period of time from the date of the issuance of the  
41 certificate."

42 Sec. 5. G.S. 58-67-160 reads as rewritten:

43 "**§ 58-67-160. Fees.**

1 Every health maintenance organization subject to this Article shall pay to the  
2 Commissioner the following fees:

- 3 (1) For filing an application for a certificate of authority or ~~amendment~~  
4 ~~theretorenewal thereof~~, ~~twenty dollars (\$20.00)~~five hundred dollars  
5 (\$500.00);  
6 (2) For filing each annual report, ~~ten dollars (\$10.00)~~one hundred dollars  
7 (\$100.00)."

8 Sec. 6. G.S. 58-35-5(e) reads as rewritten:

9 "(e) There shall be two types of licenses issued to an insurance premium finance  
10 company:

- 11 (1) An 'A' type license shall be issued to insurance premium finance  
12 companies whose business of insurance premium financing is limited  
13 to the financing of insurance premiums of one insurance agent or  
14 agency and whose primary function is to finance only the insurance  
15 premium of such agent or agency. The license fee for an 'A' type  
16 license shall be ~~two hundred dollars (\$200.00)~~three hundred dollars  
17 (\$300.00) for each license year or part thereof.  
18 (2) A 'B' type license shall be issued to an insurance premium finance  
19 company whose business of insurance premium financing is not  
20 limited to the financing of insurance premiums of one insurance agent  
21 or agency and whose primary function is to finance the insurance  
22 premiums of more than one insurance agent or agency. The license fee  
23 for a 'B' type license shall be ~~nine hundred fifty dollars (\$950.00)~~one  
24 thousand two hundred dollars (\$1,200) for each license year or part  
25 thereof.

26 A branch office license may be issued for either an 'A' type or 'B' type license. The  
27 fee for the branch office license shall be fifty dollars (\$50.00) for each license year or  
28 part thereof. The examination fee when required by this section shall be ~~one hundred~~  
29 ~~dollars (\$100.00)~~two hundred fifty dollars (\$250.00) per application."

30 Sec. 7. G.S. 58-9-5 is amended by adding a new subdivision to read:

31 "(5) Application fee.—The copies of the plan of exchange filed in  
32 accordance with subdivision (2) of this section shall be accompanied  
33 by a nonrefundable fee of five hundred dollars (\$500.00)."

34 Sec. 8. Article 7 of Chapter 58 of the General Statutes is amended by adding  
35 a new section to read:

36 "**§ 58-7-155. Application fee.**

37 Every application for redomestication under G.S. 58-7-60 and G.S. 58-7-65 shall be  
38 accompanied by a nonrefundable fee of two hundred dollars (\$200.00)."

39 Sec. 9. G.S. 58-7-150 is amended by adding a new subsection to read:

40 "(c) An application for merger or consolidation under this section shall be  
41 accompanied by a nonrefundable fee of five hundred dollars (\$500.00)."

42 Sec. 10. Article 18 of Chapter 58 of the General Statutes is amended by  
43 adding a new section to read:

44 "**§ 58-18-25. Application fee.**

1 An application for a certificate of authority under this Article shall be accompanied  
 2 by a nonrefundable fee of fifty dollars (\$50.00)."

3 Sec. 11. Article 22 of Chapter 58 of the General Statutes is amended by  
 4 adding a new section to read:

5 **"§ 58-22-70. Registration and renewal fees.**

6 Every risk retention group and purchasing group that registers with the  
 7 Commissioner under this Article shall pay the following fees:

8 Risk retention group registration \$250.00

9 Purchasing group registration 50.00

10 Risk retention group renewal 250.00

11 Purchasing group renewal 50.00

12 Registration fees are nonrefundable, shall not be prorated, and must be submitted  
 13 with the application for registration. Renewal fees are nonrefundable, shall not be  
 14 prorated, and must be paid on or before January 1 of each year."

15 Sec. 12. G.S. 58-21-20 is amended by adding a new subsection to read:

16 "(c) Every surplus lines insurer that applies for eligibility under this section shall  
 17 pay a nonrefundable fee of two hundred fifty dollars (\$250.00). In order to renew  
 18 eligibility, such insurer shall pay a nonrefundable renewal fee of two hundred fifty  
 19 dollars (\$250.00) on or before January 1 of each year thereafter. Such fees shall not be  
 20 prorated."

21 Sec. 13. This act is effective upon ratification.