

NORTH CAROLINA GENERAL ASSEMBLY
1965 SESSION

CHAPTER 166
SENATE BILL 114

1 AN ACT TO AMEND THE INSURANCE LAWS OF NORTH CAROLINA TO PROVIDE
2 FOR THE SEGREGATION OF CERTAIN ACCOUNTS OF DOMESTIC LIFE
3 INSURANCE COMPANIES.
4

5 The General Assembly of North Carolina do enact:
6

7 **Section 1.** Chapter 58 of the General Statutes is hereby amended by the addition of
8 a new Section immediately following G.S. 58-79.1, to be designated G.S. 58-79.2, and to read
9 as follows:

10 **"G.S. 58-79.2. Segregation of Certain Accounts by Domestic Life Insurance Companies.**

11 A domestic life insurance company may allocate to one or more separate accounts, in
12 accordance with the terms of one or more written agreements, any amounts which are paid to
13 such company in connection with a pension, retirement, or profit-sharing plan and which are to
14 be applied to purchase retirement benefits and other benefits incidental thereto under such
15 company's insurance or annuity policies or contracts; provided that, no such separate account
16 may be created, and no funds in any such separate account may be used, to purchase any
17 insurance or annuity policy or contract which provides for or permits retirement payments in
18 other than prescribed, fixed and specific dollar amounts, except that nothing herein shall
19 prevent or render unlawful the voluntary payment by an insurance company of excess or non-
20 guaranteed interest with respect to any insurance or annuity policy or contract; provided
21 further, no payment or contribution by any employee as such shall be allocated to any separate
22 account. The income, if any, and any gains or losses, realized or unrealized, on each such
23 account shall be credited to or charged against the amounts allocated to such account in
24 accordance with the written agreement or agreements applicable to such account, without
25 regard to other income, gains, or losses of the company. The amounts allocated to such
26 accounts and the accumulations thereon shall be owned by the company, and the company shall
27 not be, or hold itself out to be, a trustee in respect of such amounts. Amounts received by the
28 company pursuant to one or more such agreements may be maintained in one or more separate
29 accounts.

30 "The amounts allocated to any such account and the accumulations thereon may be invested
31 and reinvested by the company in any of the investments specified in the written agreement or
32 agreements applicable to such account; provided, that not more than five per cent (5%) of the
33 amounts allocated to any such account and the accumulations thereon shall be invested in the
34 stocks, notes, debentures, bonds, or other securities of any one corporation or issuer if, at the
35 time the investment is made, such account and accumulations thereon exceed two hundred fifty
36 thousand dollars (\$250,000.00), and no security of a subsidiary or affiliate of such insurance
37 company shall be allocated to any such account. No investment in any such account shall be
38 transferred to any other account or to the general assets of the company and no investment
39 among the general assets of the company shall be transferred to any such account.

40 "The investment limitations applicable to life insurance companies and set forth in
41 G.S. 58-79 shall not be applicable to such separate accounts as are herein authorized."

42 **Sec. 2.** All laws and clauses of laws in conflict with this Act are hereby repealed.

1 **Sec. 3.** The provisions of this Act shall be in full force and effect from and after
2 ratification.
3 In the General Assembly read three times and ratified, this the 5th day of April,
4 1965.