

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1991

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SENATE BILL 656
Second Edition Engrossed 5/6/91

Short Title: Motor Club Financial Statements.

(Public)

Sponsors: Senator Soles.

Referred to: Insurance.

April 16, 1991

1 A BILL TO BE ENTITLED
2 AN ACT TO REQUIRE AUDITED FINANCIAL STATEMENTS FROM
3 APPLICANTS FOR NEW MOTOR CLUB LICENSES AND TO ALLOW THE
4 COMMISSIONER OF INSURANCE TO REQUIRE AUDITED FINANCIAL
5 STATEMENTS WITH RENEWAL APPLICATIONS.

6 The General Assembly of North Carolina enacts:

7 Section 1. G.S. 58-69-10 reads as rewritten:

8 **"§ 58-69-10. Applications for licenses; fees; bonds or deposits.**

9 Licenses hereunder shall be obtained by filing written application therefor with the
10 Commissioner in such form and manner as the Commissioner shall require. As a
11 prerequisite to issuance of a license:

12 (1) The applicant shall furnish to the Commissioner such data and
13 information as the Commissioner may deem reasonably necessary to
14 enable him to determine, in accordance with the provisions of G.S. 58-
15 69-15, whether or not a license should be issued to the applicant.

16 (1a) If the applicant has never been issued a motor club license it shall be
17 required to submit an audited financial statement. If the applicant has
18 previously been licensed the Commissioner may require that the
19 financial statement be audited if it is reasonably necessary to
20 determine whether or not a license should be issued to the applicant.

21 (2) If the applicant is a motor club it shall be required to pay to the
22 Commissioner an annual license fee of two hundred dollars (\$200.00)
23 and to deposit or file with the Commissioner a bond, in favor of the

1 State of North Carolina and executed by a surety company duly
2 authorized to transact business in this State, in the amount of fifty
3 thousand dollars (\$50,000), or securities of the type hereinafter
4 specified in the amount of fifty thousand dollars (\$50,000), pledged to
5 or made payable to the State of North Carolina and conditioned upon
6 the full compliance by the applicant with the provisions of this Article
7 and the regulations and orders issued by the Commissioner pursuant
8 thereto, and upon the good faith performance by the applicant of its
9 contracts for motor club services.

10 (3) If the applicant is a branch or district office of a motor club licensed
11 under this Article it shall pay to the Commissioner a license fee of
12 twenty dollars (\$20.00).

13 (4) If the applicant is a franchise motor club it shall pay to the
14 Commissioner an annual license fee of fifty dollars (\$50.00) and shall
15 deposit or file with the Commissioner a bond, in favor of the State of
16 North Carolina and executed by a surety company duly authorized to
17 transact business in this State, in the amount of fifty thousand dollars
18 (\$50,000), or securities of the type hereinafter specified in the amount
19 of fifty thousand dollars (\$50,000), pledged to or made payable to the
20 State of North Carolina and conditioned upon the full compliance by
21 the applicant with the provisions of this Article and the regulations and
22 orders issued by the Commissioner pursuant thereto and upon the good
23 faith performance by the applicant of its contracts for motor club
24 services.

25 (5) Any applicant depositing securities under this section shall do so in the
26 form and manner as prescribed in Article 5 of this Chapter, and the
27 provisions of Article 5 of this Chapter, shall be applicable to securities
28 pledged under this Article."

29 Sec. 2. This act is effective upon ratification but applies to renewals of
30 licenses beginning with those which expire June 30, 1991.