

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1995

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SENATE BILL 678

Short Title: Ins. Charges/Fees/Consumer Funds/AB.

(Public)

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Sponsors: Senator Soles.

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Referred to: Pensions and Retirement/Insurance/State Personnel

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April 13, 1995

A BILL TO BE ENTITLED

1  
2 AN ACT TO SET THE INSURANCE REGULATORY CHARGE FOR CALENDAR  
3 YEAR 1995; TO REQUIRE INSURERS TO PAY NAIC FILING FEES; TO  
4 ALLOW THE COMMISSIONER TO ACCEPT EXAM REPORTS FROM  
5 UNACCREDITED STATES; TO ALLOW MONEY CREDITED TO THE  
6 CONSUMER PROTECTION FUND TO BE USED TO RETAIN EXPERTS FOR  
7 HEARINGS; AND TO REQUIRE MONEY RECOVERED FROM DELINQUENCY  
8 PROCEEDINGS OR CIVIL ACTIONS AGAINST THE COMMISSIONER BE  
9 CREDITED TO THE FUND.

10 The General Assembly of North Carolina enacts:

11 Section 1. The percentage rate to be used in calculating the insurance  
12 regulatory charge under G.S. 58-6-25 is seven and twenty-five hundredths percent  
13 (7.25%) for the 1995 calendar year.

14 Sec. 2. G.S. 58-4-15 reads as rewritten:

15 "**§ 58-4-15. ~~Revocation of certificate of authority.~~ Filing requirements.**

16 ~~The Commissioner may suspend, revoke, or refuse to renew the certificate of~~  
17 ~~authority of any insurer failing to file its financial statement when due or within any~~  
18 ~~extension of time that the Commissioner, for good cause, may have granted. Each insurer~~  
19 ~~that is required to make any filing with the NAIC under this Article shall pay all related~~  
20 ~~NAIC filing fees."~~

1           Sec. 3. G.S. 58-2-131(f) reads as rewritten:

2           "(f) Instead of examining any foreign or alien insurer licensed in this State, the  
3 Commissioner may accept an examination report on that insurer prepared by the insurer's  
4 domiciliary insurance regulator until January 1, 1994. Thereafter, reports may only be  
5 accepted if regulator. In making a determination to accept the domiciliary insurance  
6 regulator's report, the Commissioner may consider whether (i) the insurance regulator  
7 was at the time of the examination accredited under NAIC Financial Regulation  
8 Standards and Accreditation Program, or (ii) the examination is performed under the  
9 supervision of an NAIC-accredited insurance regulator or with the participation of one or  
10 more examiners who are employed by the regulator and who, after a review of the  
11 examination work papers and report, state under oath that the examination was performed  
12 in a manner consistent with the standards and procedures required by the regulator."

13           Sec. 4. G.S. 58-2-215(b) reads as rewritten:

14           "(b) All moneys credited to the Fund shall be used only to pay the following  
15 expenses incurred by the Department:

- 16           (1) For the purpose of retaining outside actuarial and economic consultants,  
17           legal counsel, and court reporting services in the review and analysis of  
18           rate filings, in conducting all hearings, and through any final  
19           adjudication.
- 20           (2) In connection with any delinquency proceeding under Article 30 of this  
21           Chapter, for the purpose of locating and recovering the assets of or any  
22           other obligations or liabilities owed to or due an insurer that has been  
23           placed under such proceeding.
- 24           (3) In connection with any civil litigation, other than under Chapter 150B of  
25           the General Statutes or any appeal from an order of the Commissioner  
26           or his deputies, that is commenced against the Commissioner or his  
27           deputies and that arises out of the performance of their official duties,  
28           for the purpose of retaining outside consultants, legal counsel, and court  
29           reporting services to defend such litigation.

30 In addition to the persons specified in subdivision (1) of this subsection, moneys credited  
31 to the Fund may also be used for the purpose of retaining other outside experts and  
32 professionals to respond to experts and professionals presented by the industry. All  
33 moneys received by the State in recoveries made under subdivision (2) of this subsection  
34 or in counterclaims or lawsuits filed by the State in connection with any litigation under  
35 subdivision (3) of this subsection shall be credited to the Fund."

36           Sec. 5. If any section or provision of this act is declared unconstitutional or  
37 invalid by the courts, it does not affect the validity of the act as a whole or any part other  
38 than the part declared unconstitutional or invalid.

39           Sec. 6. This act is effective upon ratification.