

GENERAL ASSEMBLY OF NORTH CAROLINA
1985 SESSION

CHAPTER 10
SENATE BILL 28

AN ACT TO CLARIFY THE PRIORITY OF CLAIMS IN DELINQUENCY
PROCEEDINGS AGAINST INSURERS.

The General Assembly of North Carolina enacts:

Section 1. G.S. 58-155.15(a) is rewritten to read:

"(a) The following priority of claims in the distribution of the assets of an insurer domiciled in this State is established:

- (1) Claims for cost of administration and conservation of assets of the insurer.
- (2) Compensation actually owing to employees other than officers of the insurer for services rendered within three months prior to the commencement of a delinquency proceeding against the insurer under this Article, but not exceeding one thousand dollars (\$1,000) for each employee. In the discretion of the Commissioner, this compensation may be paid as soon as practicable after the proceeding has been commenced. This priority is in lieu of any other similar priority that may be authorized by law as to wages or compensation of those employees.
- (3) Claims or portions of claims for benefits under policies and for losses incurred, including claims of third parties under liability policies, up to an amount of three hundred thousand dollars (\$300,000) per claim; but excluding claims of insurance pools, underwriting associations, or reinsurers, claims of other insurers for subrogation, and claims of insurers for payments and settlements under uninsured and underinsured motorist coverages.
- (4) Claims for unearned premiums.
- (5) Claims of general creditors, including claims of insurance pools, underwriting associations, or reinsurers; claims of other insurers for subrogation; those portions of claims for benefits under policies and for losses incurred, including claims of third parties under liability policies, in excess of three hundred thousand dollars (\$300,000) per claim; and claims of insurers for payments and settlements under uninsured and underinsured motorist coverages."

Sec. 2. G.S. 58-155.27 is repealed.

Sec. 3. This act is effective upon ratification.

In the General Assembly read three times and ratified, this the 27th day of February, 1985.