

GENERAL ASSEMBLY OF NORTH CAROLINA
1987 SESSION

CHAPTER 975
SENATE BILL 511

AN ACT TO MAKE TECHNICAL AMENDMENTS TO THE INSURANCE LAW.

The General Assembly of North Carolina enacts:

Section 1. 1987 Session Law Chapter 631 is amended in Section 11 by substituting "Section 4" for "Section 3".

Sec. 2. 1987 Session Laws Chapter 864 is amended in Section 42 by substituting "58-251.1(b)(11)" for "58-251.1(11)".

Sec. 3. G.S. 58-18.1(c)(4) is amended by deleting "by the insurer" from the first line.

Sec. 4. G.S. 58-124.31(e) is amended by deleting "the safe driver plans under G.S. 58-30.4 and" from the second line.

Sec. 5. G.S. 58-124.31(b) is amended by deleting the second paragraph, which begins with "As used" and ends with "Statutes".

Sec. 6. G.S. 58-124.32(d) is amended by adding the following:

"The escrow provisions of G.S. 58-124.22(b) apply to any order of the Commissioner under this subsection."

Sec. 7. G.S. 143-137(b) is amended in the penultimate sentence by substituting "Seven" for "Five".

Sec. 8. G.S. 58-611(d) is amended by substituting "58-614(e)" for "58-614(d)".

Sec. 9. G.S. 58-612 is amended in the last sentence by substituting "58-614(n)" for "58-614(m)".

Sec. 10. G.S. 58-614(c) is amended in the last sentence by substituting "agent's" for "agents".

Sec. 11. G.S. 58-633 is amended:

(a) In the 4th line by inserting "limited representative," immediately after "broker,"; and

(b) in the 15th line by substituting "of" for "or".

Sec. 12. G.S. 58-44.4 is amended by substituting "58-617(h)" for "58-614(h)".

Sec. 13. G.S. 58-428(c) is amended by rewriting the first three sentences to read:

"The Commissioner may, at such times that he deems to be appropriate, make or cause to be made an examination of each advisory organization; in which case the provisions of G.S. 58-16, 58-16.2, 58-17, 58-18, 58-22, 58-25, 58-25.1, 58-26, and 58-27 shall apply."

Sec. 14. G.S. 58-433(e) is amended by substituting "two years" for "one year".

Sec. 15. G.S. 58-73 is amended in the second sentence by:

(a) Inserting immediately after "'indemnity'" the following: ", or an acceptable alternative approved by the Commissioner,"; and

(b) Changing the comma to a semicolon immediately after "corporation".

Sec. 16. G.S. 58-150 is amended by:

(a) Adding the following: "(7) Satisfies the Commissioner that it is in compliance with the company name requirements of G.S. 58-73."; and

(b) By substituting "Satisfies" for "Satisfied" in paragraph (6).

Sec. 17. G.S. 58-151(b) is repealed; and G.S. 58-151(a) is redesignated as G.S. 58-151.

Sec. 18. G.S. 58-173.2(3a) and G.S. 58-173.17(c) are each amended by inserting ", or their successor forms of coverage," between "policies" and "approved".

Sec. 19. G.S. 58-173.2(4) is amended by inserting "or their successor forms of coverage," immediately before "as approved".

Sec. 20. G.S. 58-173.3 is amended in the first sentence by inserting "essential" immediately before "property insurance".

Sec. 21. G.S. 58-173.8(a) is amended by rewriting the third sentence to read:

"Each application shall contain a statement as to whether or not there is any unpaid premiums due from the applicant for essential property insurance on the property."

Sec. 22. G.S. 58-173.8(b) is amended by rewriting lines 7 and 8 to read:

"perils endorsements, crime insurance, separate policies of windstorm and hail insurance, or their successor forms of coverage,".

Sec. 23. G.S. 58-173.8(e) is amended in the first and second sentences by substituting "essential property" for "fire".

Sec. 24. G.S. 58-173.10 is rewritten to read:

"§ 58-173.10. Rates, rating plans, rating rules, and forms applicable. – The rates, rating plans, rating rules, and forms applicable to the insurance written by the Association shall be in accordance with the most recent manual rates and forms that are legally in effect in the State. No special surcharge, other than those presently in effect, may be applied to the property insurance rates of properties located in the beach area."

Sec. 25. G.S. 58-173.20 is amended by rewriting lines 5 and 6 to read:

"endorsements, and crime insurance policies, or their successor forms of coverage; to reinsure in whole or in part, any such policies; and".

Sec. 26. Article 18B of General Statute Chapter 58 is amended by adding a new section to read:

"§ 58-173.30. Annual reports. – On or before January 1 of each year the association shall file with the Commissioner a statement that summarizes the transactions, conditions, operations, and affairs of the association during the preceding year. The statement shall contain such matters and information as are prescribed by the Commissioner and shall be in such form as is approved by him. The Commissioner may at any time require the association to furnish him with any additional information

with respect to its transactions or any other matter that the Commissioner deems to be material to assist him in evaluating the operation and experience of the association."

Sec. 27. G.S. 58-173.14 is amended by substituting "January" for "July".

Sec. 28. Article 18B of General Statute Chapter 58 is further amended by adding a new section to read:

"§ 58-173.31. Rates, rating plans, rating rules, and forms applicable. – The rates, rating plans, rating rules, and forms applicable to the insurance written by the association shall be in accord with the most recent manual rates and forms that are legally in effect in this State. No special surcharge, other than those presently in effect, may be applied to the property insurance rates of properties located in the geographic areas to which this Article applies."

Sec. 29. G.S. 58-173.20 is amended by adding the following:

"The directors of the Association may, subject to the approval of the Commissioner, amend the plan of operation at any time. The Commissioner may review the plan of operation at any time he deems to be expedient or prudent, but not less than once in each calendar year. After review of such plan the Commissioner may amend the plan after consultation with the directors and upon certification to the directors of such amendment."

Sec. 30. G.S. 58-615(e)(4) is amended by deleting "not to exceed thirty-five dollars (\$35.00)," from the subdivision.

Sec. 31. G.S. 58-478(b) is amended by substituting "G.S. 58-473, 58-474, and 58-475" for "G.S. 58-473 and G.S. 58-474".

Sec. 32. G.S. 159-29(c) is amended by rewriting the last sentence to read:

"However, although an individual bond is required for an elected official, a tax collector, or finance officer, such an officer or elected official may also be included within the coverage of a blanket bond if the blanket bond protects against risks not protected against by the individual bond."

Sec. 33. G.S. 20-279.21(b)(3)b is amended by adding the following at the end:

"The failure to post notice to the insurer 60 days in advance of the initiation of the suit shall not be grounds for dismissal of the action, but shall automatically extend the time for filing of an answer or other pleadings to 60 days after the time of service of the summons, complaint, or other process on the insurer."

Sec. 34. Section 9 of 1987 Session Law Chapter 752 is amended by inserting "58A" between "58," and "69".

Sec. 35. This act is effective upon ratification.

In the General Assembly read three times and ratified this the 27th day of June, 1988.