

§ 97-195. Revocation, suspension or restriction of license.

(a) Repealed by Session Laws 2005-400, s. 15, effective January 1, 2006.

(a1) The Commissioner may, upon at least 45 days notice and opportunity for a hearing, revoke, suspend, or restrict the license of a self-insurer if any of the following apply:

- (1) The self-insurer fails or refuses to comply with any law, order, or rule applicable to the self-insurer.
- (2) There is a determination of insolvency by a court of competent jurisdiction.
- (3) The self-insurer is in a hazardous financial condition.
- (4) The self-insurer has experienced a material loss or deteriorating operating trends, or has reported a deficit financial position.
- (5) Any affiliate or subsidiary is insolvent, threatened with insolvency, or delinquent in payment of its monetary or any other obligation.
- (6) The self-insurer has failed to pay premium taxes pursuant to Article 8B of Chapter 105 of the General Statutes.
- (7) Contingent liabilities, pledges, or guaranties that either individually or collectively involve a total amount that in the Commissioner's opinion may affect a self-insurer's solvency.
- (8) The management of a self-insurer has failed to respond to the Commissioner's inquiries about the condition of the self-insurer or has furnished false and misleading information in response to an inquiry by the Commissioner.
- (9) The management of a self-insurer has filed any false or misleading sworn financial statement, has released a false or misleading financial statement to a lending institution or to the general public, or has made a false or misleading entry or omitted an entry of material amount in the filed financial information.
- (10) The self-insurer has experienced, or will experience in the foreseeable future, cash flow or liquidity problems.
- (11) The self-insurer has failed to make proper and timely payment of claims, as required by this Article.
- (12) Failure to pay any North Carolina Self-Insurance Security Association assessments made pursuant to G.S. 97-133.
- (13) Failure to participate in the Association Aggregate Security System or, if excluded from participation in the Association Aggregate Security System, failure to provide and maintain the deposit required by G.S. 97-185.

(b) Repealed by Session Laws 2005-400, s. 15, effective January 1, 2006.

(c) Any self-insurer subject to license revocation, suspension, or restriction under subsection (a1) of this section may request an administrative hearing before the Commissioner to review that order. If a hearing is requested, a notice of hearing shall be served, and the notice shall state the time and place of hearing and the conduct, condition, or ground on which the Commissioner based the order. Unless mutually agreed upon between the Commissioner and the self-insurer, the hearing shall occur not less than 10 days nor more than 30 days after notice is served and shall be either in Wake County or in some other place designated by the Commissioner. The Commissioner shall hold all hearings under this section privately unless the self-insurer requests a public hearing, in which case the hearing shall be public. The request for a hearing shall not stay the effect of the order. (1997-362, s. 4; 2003-221, s. 15; 2005-400, s. 15.)