

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1991

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HOUSE BILL 835

Short Title: Mutual Insurer Disclosure.

(Public)

Sponsors: Representative Brawley.

Referred to: Commerce.

April 16, 1991

1 A BILL TO BE ENTITLED
2 AN ACT TO STRENGTHEN THE DISCLOSURE PROVISION FOR CONTINGENT
3 LIABILITY UNDER MUTUAL INSURANCE POLICIES.

4 The General Assembly of North Carolina enacts:

5 Section 1. G.S. 58-8-35 reads as rewritten:

6 "**§ 58-8-35. Contingent liability printed on policy.**

7 Every insurance company licensed to do business in this State shall print upon the
8 filing face of its policies in clear and explicit language the full contingent liability of its
9 members. The language shall include the following statements printed in bold red type
10 for each unlimited assessment policy: 'CAUTION: THIS IS AN ASSESSMENT
11 POLICY. YOU MAY BE LIABLE FOR THE PAYMENT OF LOSSES,
12 RESERVES, AND/OR EXPENSES INCURRED WHILE YOU ARE A MEMBER
13 OF OUR ASSOCIATION.'"

14 Sec. 2. This act becomes effective October 1, 1991, and applies to policies
15 issued or renewed on or after that date.