

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

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HOUSE BILL 1024*

Short Title: Foreign Insurer Licensing.

(Public)

Sponsors: Representatives Hurley; Barbee, Boyd-McIntyre, Brawley, Gamble, Holmes, McCrary, Morris, and Warner.

Referred to: Insurance, if favorable, Judiciary I.

April 21, 1997

A BILL TO BE ENTITLED

AN ACT TO ALLOW FOR THE LICENSING OF CERTAIN SUBSIDIARIES OF INSURERS OWNED OR CONTROLLED BY FOREIGN GOVERNMENTS.

The General Assembly of North Carolina enacts:

Section 1. G.S. 58-16-20 reads as rewritten:

"§ 58-16-20. Company owned or controlled by alien-foreign government prohibited from doing business.

(a) Any insurance company or other insurance entity ~~which~~that is financially owned or financially controlled by any alien or foreign government outside the continental limits of the United States or the territories of the United States is ~~hereby~~ prohibited from doing any kind of insurance business in the State of North Carolina. For the purposes of this section, ~~the term~~ 'alien or foreign government' ~~is defined to mean~~ means any foreign government or any state, province, municipality, or political subdivision of any foreign government, and shall not be construed to apply to any insurance company organized under the laws of a foreign nation ~~which~~that is financially owned or financially controlled by the private citizens or private business interest of such foreign nation.

(b) The Commissioner ~~is hereby forbidden to grant a~~ shall not license ~~to~~ any insurance company or other insurance entity ~~which~~that is financially owned or financially

1 controlled by any alien or foreign government outside the continental limits of the United
2 States or the territories of the United States, ~~or to~~ nor shall the Commissioner authorize
3 any such company or entity to transact any kind of insurance business in the State of
4 North Carolina.

5 (c) Any insurance company or other insurance entity ~~which~~ that is financially
6 owned or financially controlled by any alien or foreign government outside the
7 continental limits of the United States or the territories of the United States, or any
8 representative or agent of any such company or entity ~~which~~ that violates the provisions
9 of this section, ~~shall be~~ is guilty of a Class 3 misdemeanor.

10 (d) This section does not apply to the operating subsidiary of any insurance
11 company or other insurance entity, which company or entity is financially owned or
12 financially controlled by any alien or foreign government outside the continental limits of
13 the United States or the territories of the United States, as long as the operating subsidiary
14 is domesticated in and licensed by a state of the United States as an insurer or reinsurer
15 and as a separate subsidiary."

16 Section 2. This act becomes effective October 1, 1997, and applies to acts
17 committed and applications for licensure submitted on or after that date.