

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1999

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SENATE BILL 562
Finance Committee Substitute Adopted 7/8/99

Short Title: Ins. Fee Repeals and Increases.

(Public)

Sponsors:

Referred to:

March 29, 1999

A BILL TO BE ENTITLED

AN ACT TO REPEAL FORM AND RATE FILING FEES AND HMO ANNUAL REPORT FEES COLLECTED BY THE DEPARTMENT OF INSURANCE; TO INCREASE CERTAIN INSURANCE COMPANY LICENSE RENEWAL FEES COLLECTED BY THE DEPARTMENT OF INSURANCE; AND TO CLARIFY AN EXAMINATION LAW PROVIDING FOR REIMBURSEMENT FOR DEPARTMENTAL EXPENSES.

The General Assembly of North Carolina enacts:

Section 1. G.S. 58-6-5(5) is repealed.

Section 2. G.S. 58-6-7 reads as rewritten:

"§ 58-6-7. Annual license fees for insurance companies.

(a) ~~As a condition precedent to doing~~ In order to do business in this State, an insurance company ~~must~~ shall apply for and obtain a license from the Commissioner of ~~Insurance~~ by March 1 of each year. The license shall become effective the following July 1 and shall remain in effect for one year. Except as provided in ~~subsections (b) and (c)~~ subsection (b) of this section, the insurance company shall pay an annual fee for the license as follows:

For each domestic farmer's mutual assessment fire insurance company \$ 25.00

1 For each fraternal order 100.00
2 For each of all other insurance companies, except
3 mutual burial associations taxed under G.S.
4 105-121.1 ~~500.00~~ 1,000.00

5 The fees levied in this subsection ~~shall be~~ are in addition to those specified in G.S. 58-
6 6-5.

7 (b) When the paid-in capital stock ~~and/or surplus or surplus, or both,~~ of an
8 insurance ~~company~~ company, other than a farmer's mutual assessment company or a
9 fraternal ~~order~~ order, does not exceed one hundred thousand dollars (\$100,000), the fee
10 levied in this section shall be ~~one-half~~ one-half the amount ~~above~~ specified.

11 (c) Upon payment of the fee specified above and the fees and taxes elsewhere
12 specified each insurance company, exchange, bureau, or agency, shall be entitled to do
13 the types of business specified in Chapter 58, of the General Statutes of North Carolina as
14 amended, to the extent authorized therein, except that: Insurance companies authorized to
15 do either the types of business specified for (i) life insurance companies, or (ii) for fire
16 and marine companies, or (iii) for casualty and fidelity and surety companies, in G.S. 58-
17 7-75, which shall also do the types of business authorized in one or both of the other of
18 the above classifications shall in addition to the fees above specified pay one hundred
19 dollars (\$100.00) for each such additional classification of business done. All fees and
20 charges collected by the Commissioner under this Chapter are nonrefundable.

21 (d) Any rating bureau established by action of the General Assembly of North
22 Carolina shall be exempt from the fees ~~above levied~~ in this section."

23 Section 3. G.S. 58-22-70 reads as rewritten:

24 "**§ 58-22-70. Registration and renewal fees.**

25 Every risk retention group and purchasing group that registers with the Commissioner
26 under this Article shall pay the following fees:

27 Risk retention group registration	\$250.00
28 Purchasing group registration	50.00
29 Risk retention group renewal	500.00 <u>1,000.00</u>
30 Purchasing group renewal	50.00

31 Registration fees ~~are nonrefundable,~~ shall not be ~~prorated,~~ prorated and must be
32 submitted with the application for registration. Renewal fees ~~are nonrefundable,~~ shall not
33 be ~~prorated,~~ prorated and shall be paid on or before January 1 of each year."

34 Section 4. G.S. 58-27-10 reads as rewritten:

35 "**§ 58-27-10. Licenses.**

36 Any domestic land mortgage company, or title insurance company, wishing to do
37 business under the provisions of this Article upon making written application and
38 submitting proof satisfactory to the Commissioner that its business, capital and other
39 qualifications comply with the provisions of this Article, upon paying to the
40 Commissioner, the sum of five hundred dollars (\$500.00) as a license fee and all other
41 fees assessed against such company may be licensed to do business in this State under the
42 provisions of this Article until the first day of the following July, and may have its license
43 renewed for each year thereafter so long as it complies with the provisions of this Article

1 and such rules adopted by the Commissioner. For each such renewal such company shall
2 pay to the Commissioner the sum of ~~five hundred dollars (\$500.00)~~, one thousand dollars
3 (\$1,000), and all other fees assessed against such company and such renewal shall
4 continue in force and effect until a new license be issued or specifically refused, unless
5 revoked for good cause. The Commissioner, or any person appointed by him, shall have
6 the power and authority to make such rules and regulations and examinations not
7 inconsistent with the provisions of this Article, as may be in his discretion necessary or
8 proper to enforce the provisions hereof and secure compliance with the terms of this
9 Article. For any examination made hereunder the Commissioner shall charge the land
10 mortgage companies or title insurance companies examined with the actual expense of
11 such examination."

12 Section 5. G.S. 58-65-55 reads as rewritten:

13 **"§ 58-65-55. Issuance of certificate.**

14 Before issuing any such license or certificate the Commissioner may make such an
15 examination or investigation as ~~he~~ the Commissioner deems expedient. The
16 Commissioner shall issue a certificate of authority or license upon the payment of an
17 annual fee of ~~five hundred dollars (\$500.00)~~ one thousand dollars (\$1,000) and upon being
18 satisfied on the following points:

- 19 (1) The applicant is established as a bona fide nonprofit hospital service
20 corporation as defined by this Article and Article 66 of this Chapter.
- 21 (2) The rates charged and benefits to be provided are fair and reasonable.
- 22 (3) The amounts provided as working capital of the corporation are
23 repayable only out of earned income in excess of amounts paid and
24 payable for operating expenses and hospital and medical and/or dental
25 expenses and such reserve as the Department deems adequate, as
26 provided hereinafter.
- 27 (4) That the amount of money actually available for working capital be
28 sufficient to carry all acquisition costs and operating expenses for a
29 reasonable period of time from the date of the issuance of the
30 certificate."

31 Section 6. G.S. 58-67-160 reads as rewritten:

32 **"§ 58-67-160. Fees.**

33 Every health maintenance organization subject to this Article shall pay to the
34 Commissioner ~~the following fees: a fee of two hundred fifty dollars (\$250.00) for filing an~~
35 application for a license and a fee of one thousand dollars (\$1,000) for each license
36 renewal.

- 37 (1) ~~For filing an application for a certificate of authority, two hundred fifty~~
38 ~~dollars (\$250.00); for each renewal thereof, five hundred dollars~~
39 ~~(\$500.00);~~
- 40 (2) ~~For filing each annual report, one hundred dollars (\$100.00)."~~

41 Section 7. G.S. 58-2-134 reads as rewritten:

42 **"§ 58-2-134. Cost of certain examinations.**

1 (a) An insurer shall reimburse the State Treasurer for the actual expenses incurred
2 by the Department in any examination of those records or assets conducted ~~pursuant to~~
3 under G.S. 58-2-131, 58-2-132, or 58-2-133 when:

4 (1) The insurer maintains part of its records or assets outside this State
5 under G.S. 58-7-50 or G.S. 58-7-55 and the examination is of the
6 records or assets outside this State.

7 (2) The insurer requests an examination of its records or assets.

8 (3) The Commissioner examines an insurer that is impaired or insolvent or
9 is unlikely to be able to meet obligations with respect to known or
10 anticipated claims or to pay other obligations in the normal course of
11 business.

12 (b) The amount paid by an insurer for an examination of records or assets under
13 this section shall not exceed one hundred thousand dollars (\$100,000), unless the insurer
14 and the Commissioner agree on a higher amount. The State Treasurer shall deposit all
15 funds received ~~pursuant to~~under this section in the Insurance Regulatory Fund established
16 ~~pursuant to~~under G.S. 58-6-25. Funds received under this section shall be used by the
17 Department for offsetting the actual expenses incurred by the Department for
18 examinations under this section."

19 Section 8. This act is effective when it becomes law.