

GENERAL ASSEMBLY OF NORTH CAROLINA
1991 SESSION

CHAPTER 424
SENATE BILL 581

AN ACT TO AMEND THE LIFE AND ACCIDENT AND HEALTH INSURANCE
GUARANTY ASSOCIATION ACT.

The General Assembly of North Carolina enacts:

Section 1. G.S. 58-62-10 reads as rewritten:

"§ 58-62-10. Scope.

(a) This Article shall apply to direct life policies, accident and health insurance policies, annuity contracts, variable contracts, and contracts supplemental to life and accident and health insurance policies and annuity contracts issued by persons authorized to transact insurance in this State at any time.

(b) Coverage under this Article shall be provided to:

(1) Persons who, regardless of where they reside, except for nonresident certificate holders under group policies or contracts, are the beneficiaries, assignees, or payees of the persons covered under subdivision (2); and

(2) Persons who are owners of or certificate holders under the policies listed in subsection (a) of this section or contracts, who:

a. Are residents of this State; or

b. Are residents of other states but only if:

1. The insurers which issued the policies or contracts are domiciled in this State;

2. These insurers never held a license or certificate of authority in the states in which these persons reside;

3. The other states have associations similar to the association created by this Article; and

4. These persons are not eligible for coverage by those associations.

~~(b)~~(c) This Article shall not apply to:

(1) Any such policies or contracts, or any part of such policies or contracts under which the risk is borne by the policyholder;

(2) Any such policy or contract or part thereof assumed by the impaired insurer under a contract of reinsurance, other than reinsurance for which assumption certificates have been issued;

(3) Any policy or contract issued by a corporation governed by the provisions of Articles 65 and 66 of this Chapter;

(4) Any policy or contract issued by a fraternal order or society."

Sec. 2. This act is effective upon ratification.

In the General Assembly read three times and ratified this the 27th day of June, 1991.

James C. Gardner
President of the Senate

Daniel Blue, Jr.
Speaker of the House of Representatives