

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 1999

SESSION LAW 1999-435
SENATE BILL 562

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 G.S. 58-6-5(5) is repealed.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
For each fraternal order	100.00
For each of all other insurance companies, except mutual burial associations taxed under G.S. 105-121.1	500.00 <u>1,000.00</u>

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

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

(c) Upon payment of the fee specified above and the fees and taxes elsewhere specified each insurance company, exchange, bureau, or agency, shall be entitled to do the types of business specified in Chapter 58, of the General Statutes of North Carolina as amended, to the extent authorized therein, except that: Insurance companies authorized to do either the types of business specified for (i) life insurance companies, or (ii) for fire and marine companies, or (iii) for casualty and fidelity and surety

companies, in G.S. 58-7-75, which shall also do the types of business authorized in one or both of the other of the above classifications shall in addition to the fees above specified pay one hundred dollars (\$100.00) for each such additional classification of business done. All fees and charges collected by the Commissioner under this Chapter are nonrefundable.

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

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

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

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

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

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

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

"§ 58-27-10. Licenses.

Any domestic land mortgage company, or title insurance company, wishing to do business under the provisions of this Article upon making written application and submitting proof satisfactory to the Commissioner that its business, capital and other qualifications comply with the provisions of this Article, upon paying to the Commissioner, the sum of five hundred dollars (\$500.00) as a license fee and all other fees assessed against such company may be licensed to do business in this State under the provisions of this Article until the first day of the following July, and may have its license renewed for each year thereafter so long as it complies with the provisions of this Article and such rules adopted by the Commissioner. For each such renewal such company shall pay to the Commissioner the sum of ~~five hundred dollars (\$500.00),~~ one thousand dollars (\$1,000), and all other fees assessed against such company and such renewal shall continue in force and effect until a new license be issued or specifically refused, unless revoked for good cause. The Commissioner, or any person appointed by him, shall have the power and authority to make such rules and regulations and examinations not inconsistent with the provisions of this Article, as may be in his discretion necessary or proper to enforce the provisions hereof and secure compliance with the terms of this Article. For any examination made hereunder the Commissioner shall charge the land mortgage companies or title insurance companies examined with the actual expense of such examination."

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

"§ 58-65-55. Issuance of certificate.

Before issuing any such license or certificate the Commissioner may make such an examination or investigation as ~~he~~ the Commissioner deems expedient. The Commissioner shall issue a certificate of authority or license upon the payment of an

annual fee of ~~five hundred dollars (\$500.00)~~ one thousand dollars (\$1,000) and upon being satisfied on the following points:

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

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

"§ 58-67-160. Fees.

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

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

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

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

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

- (1) The insurer maintains part of its records or assets outside this State under G.S. 58-7-50 or G.S. 58-7-55 and the examination is of the records or assets outside this State.
- (2) The insurer requests an examination of its records or assets.
- (3) The Commissioner examines an insurer that is impaired or insolvent or is unlikely to be able to meet obligations with respect to known or anticipated claims or to pay other obligations in the normal course of business.

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

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

In the General Assembly read three times and ratified this the 19th day of July, 1999.

s/ Dennis A. Wicker
President of the Senate

s/ James B. Black
Speaker of the House of Representatives

s/ James B. Hunt, Jr.
Governor

Approved 9:11 p.m. this 10th day of August, 1999