

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005

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SENATE BILL 577*

Short Title: Unauthorized Insurer Misconduct.-AB (Public)

Sponsors: Senators Dalton; Atwater and Dorsett.

Referred to: Commerce.

March 16, 2005

A BILL TO BE ENTITLED

AN ACT TO CLARIFY THAT AN UNAUTHORIZED INSURER SHALL NOT
OPERATE IN THIS STATE IN ITS OWN NAME OR UNDER A "DOING
BUSINESS AS" DESIGNATION AS A THIRD PARTY ADMINISTRATOR.

The General Assembly of North Carolina enacts:

SECTION 1. Article 56 of Chapter 58 of the General Statutes is amended by
adding a new section to read:

"§ 58-56-52. Prohibitions.

(a) No insurance company shall act as a third party administrator with respect to residents of this State, or residents of another state from offices in this State, in connection with life or health insurance or annuities unless that insurance company is authorized to do the business of insurance in this State and otherwise complies with the applicable laws of this State.

(b) No insurance company shall enter into an agreement with an unauthorized insurance company to provide administrative services for residents of this State, or residents of another state from offices in this State, in connection with life or health insurance or annuities that would subject the unauthorized insurer to this section."

SECTION 2. This act becomes effective October 1, 2005.