

NORTH CAROLINA GENERAL ASSEMBLY
1973 SESSION

CHAPTER 128
SENATE BILL 410

AN ACT TO REWRITE G.S. 58-132 RELATING TO THE ORGANIZATION OF REAL ESTATE TITLE INSURANCE COMPANIES.

The General Assembly of North Carolina enacts:

Section 1. G.S. 58-132 is hereby rewritten to read as follows:

"§ 58-132. **Purpose of organization, formation.** — (a) Companies may be formed in the manner provided in this Article for the purpose of furnishing information in relation to titles to real estate and of insuring owners and others interested therein against loss by reason of encumbrances and defective title; provided, however, that no such information shall be so furnished nor shall such insurance be so issued as to North Carolina real property unless and until the title insurance company has caused to be conducted a reasonable examination of the title, has obtained the opinion thereof of an attorney, not an employee of the company, licensed to practice law in North Carolina, and has caused to be made a determination of insurability of title in accordance with sound underwriting practices for title insurance companies.

(b) Such companies shall be subject to:

- (1) The same capital, surplus and investment requirements as govern the formation and operation of domestic stock casualty companies.
- (2) The same deposit requirements governing the operation of other state or foreign casualty companies in this State; and
- (3) Article 17A of the Insurance Law of this State and G.S. 58-39. Such companies shall not be subject to the Insurance Law of this State except as otherwise provided in this Article.

(c) This Article shall not be interpreted so as to imply the repeal or amendment of any of the provisions of Chapter 84 of the General Statutes of North Carolina nor of any other provisions of common law or statutory law governing the practice of law."

Sec. 2. This act shall become effective on October 1, 1973.

In the General Assembly read three times and ratified, this the 3rd day of April, 1973.