

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1989

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HOUSE BILL 651

Short Title: Reins. Facility Surcharges.

(Public)

Sponsors: Representatives Beard; Hasty, Mercer, Brawley, Duncan, Walker, Isenhower, Lutz, Mills, and Warner.

Referred to: Commerce.

March 16, 1989

A BILL TO BE ENTITLED

AN ACT TO FURTHER FACILITATE RECOVERY OF LOSSES OF THE MOTOR VEHICLE REINSURANCE FACILITY.

The General Assembly of North Carolina enacts:

Section 1. G.S. 58-248.41 reads as rewritten:

"§ 58-248.41. Modification of nonfleet private passenger motor vehicle insurance recoupment.

(a) During the period beginning on July 1, 1988, through June 30, 1989, eighty percent (80%) of the Facility's losses shall be recouped according to G.S. 58-248.34(f) and twenty percent (20%) shall be allocated among all policies.

(b) During the period beginning on July 1, 1989, through June 30, 1990, sixty percent (60%) of the Facility's losses shall be recouped according to G.S. 58-248.34(f) and forty percent (40%) shall be allocated among all policies.

(c) During the period beginning on July 1, 1990, through June 30, 1991, ~~forty percent (40%)~~ fifty percent (50%) of the Facility's losses shall be recouped according to G.S. 58-248.34(f) and ~~sixty percent (60%)~~ fifty percent (50%) shall be allocated among all policies.

(d) During the period beginning on July 1, 1991, through June 30, 1992, ~~twenty percent (20%)~~ forty percent (40%) of the Facility's losses shall be recouped according to G.S. 58-248.34(f) and ~~eighty percent (80%)~~ sixty percent (60%) shall be allocated among all policies.

(e) ~~Beginning on July 1, 1992, the Facility's losses shall be allocated among all policies.~~
During the period beginning on July 1, 1992, through June 30, 1993, thirty percent (30%)

1 of the Facility's losses shall be recouped according to G.S. 58-248.34(f) and seventy
2 percent (70%) shall be allocated among all policies.

3 (e1) During the period beginning on July 1, 1993, through June 30, 1994, twenty
4 percent (20%) of the Facility's losses shall be recouped according to G.S. 58-248.34(f)
5 and eighty percent (80%) shall be allocated among all policies.

6 (e2) During the period beginning on July 1, 1994, through June 30, 1995, ten
7 percent (10%) of the Facility's losses shall be recouped according to G.S. 58-248.34(f)
8 and ninety percent (90%) shall be allocated among all policies.

9 (e3) Beginning on July 1, 1995, the Facility's losses shall be allocated among all
10 policies.

11 (f) Recoupment and allocation of Facility losses under this section shall be made
12 during the periods specified for the purpose of equitably distributing assessments made
13 on member companies as a result of Facility losses. The recoupment and allocation of
14 such losses shall not be considered as the collection or imposition of rates or premiums
15 for any purposes.

16 (g) This section applies only to losses from, recoupment on, and allocation
17 among nonfleet private passenger motor vehicle insurance policies. This section does
18 not in any way affect the procedures for recouping losses from other motor vehicle
19 insurance policies reinsured by the Facility.”

20 Sec. 2. This act is effective upon ratification.