

GENERAL ASSEMBLY OF NORTH CAROLINA
1991 SESSION

CHAPTER 425
SENATE BILL 656

AN ACT TO REQUIRE AUDITED FINANCIAL STATEMENTS FROM APPLICANTS FOR NEW MOTOR CLUB LICENSES AND TO ALLOW THE COMMISSIONER OF INSURANCE TO REQUIRE AUDITED FINANCIAL STATEMENTS WITH RENEWAL APPLICATIONS.

The General Assembly of North Carolina enacts:

Section 1. G.S. 58-69-10 reads as rewritten:

"§ 58-69-10. Applications for licenses; fees; bonds or deposits.

Licenses hereunder shall be obtained by filing written application therefor with the Commissioner in such form and manner as the Commissioner shall require. As a prerequisite to issuance of a license:

- (1) The applicant shall furnish to the Commissioner such data and information as the Commissioner may deem reasonably necessary to enable him to determine, in accordance with the provisions of G.S. 58-69-15, whether or not a license should be issued to the applicant.
- (1a) If the applicant has never been issued a motor club license it shall be required to submit an audited financial statement. If the applicant has previously been licensed the Commissioner may require that the financial statement be audited if it is reasonably necessary to determine whether or not a license should be issued to the applicant.
- (2) If the applicant is a motor club it shall be required to pay to the Commissioner an annual license fee of two hundred dollars (\$200.00) and to deposit or file with the Commissioner a bond, in favor of the State of North Carolina and executed by a surety company duly authorized to transact business in this State, in the amount of fifty thousand dollars (\$50,000), or securities of the type hereinafter specified in the amount of fifty thousand dollars (\$50,000), pledged to or made payable to the State of North Carolina and conditioned upon the full compliance by the applicant with the provisions of this Article and the regulations and orders issued by the Commissioner pursuant thereto, and upon the good faith performance by the applicant of its contracts for motor club services.
- (3) If the applicant is a branch or district office of a motor club licensed under this Article it shall pay to the Commissioner a license fee of twenty dollars (\$20.00).

- (4) If the applicant is a franchise motor club it shall pay to the Commissioner an annual license fee of fifty dollars (\$50.00) and shall deposit or file with the Commissioner a bond, in favor of the State of North Carolina and executed by a surety company duly authorized to transact business in this State, in the amount of fifty thousand dollars (\$50,000), or securities of the type hereinafter specified in the amount of fifty thousand dollars (\$50,000), pledged to or made payable to the State of North Carolina and conditioned upon the full compliance by the applicant with the provisions of this Article and the regulations and orders issued by the Commissioner pursuant thereto and upon the good faith performance by the applicant of its contracts for motor club services.
- (5) Any applicant depositing securities under this section shall do so in the form and manner as prescribed in Article 5 of this Chapter, and the provisions of Article 5 of this Chapter, shall be applicable to securities pledged under this Article."

Sec. 2. This act is effective upon ratification but applies to renewals of licenses beginning with those which expire June 30, 1991.

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