

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1999

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SENATE BILL 389
Insurance Committee Substitute Adopted 4/7/99

Short Title: Town/County Financial Reports.

(Public)

Sponsors:

Referred to:

March 16, 1999

A BILL TO BE ENTITLED

AN ACT TO CLARIFY THE 1998 CHANGE IN THE LAW GOVERNING THE
FILING OF FINANCIAL REPORTS BY SMALL TOWN OR COUNTY
MUTUALS.

The General Assembly of North Carolina enacts:

Section 1. G.S. 58-2-165 reads as rewritten:

**"§ 58-2-165. Annual, semiannual, monthly, or quarterly statements to be filed with
Commissioner.**

(a) ~~Every~~ Except as provided in subsection (a1) of this section, every insurance company shall file in the Commissioner's office, on or before March 1 of each year, a statement showing the business standing and financial condition of the company, association, or order on the preceding December 31, signed and sworn to by the chief managing agent or officer thereof, before the Commissioner or some officer authorized by law to administer oaths. Provided, the Commissioner may, for good and sufficient cause shown by an applicant company, extend the filing date of the company's annual statement, for a reasonable period of time, not to exceed 30 days. In addition, except as provided in subsection (a1) of this section, the Commissioner may require any insurance company, association, or order to file its statement semiannually, quarterly, or ~~monthly,~~ ~~except that a town or county mutual, organized under G.S. 58-7-75(5)d., is required to file only~~

1 ~~an annual statement or an audited financial statement that was prepared by a certified public~~
2 ~~accountant if for the preceding year it had a direct written premium of less than one hundred fifty~~
3 ~~thousand dollars (\$150,000) and fewer than 400 policyholders. monthly.~~

4 (a1) A town or county mutual, organized under G.S. 58-7-75(5)d., is required to file
5 only an annual statement or an audited financial statement that was prepared by a
6 certified public accountant if for the preceding year it had a direct written premium of
7 less than one hundred fifty thousand dollars (\$150,000) and fewer than 400
8 policyholders. The Commissioner shall not require those mutuals to file statements
9 semiannually, quarterly, or monthly.

10 (b) The Commissioner may require statements under this section, G.S. 58-2-170,
11 and G.S. 58-2-190 to be filed in a format that can be read by electronic data processing
12 ~~equipment. equipment,~~ provided that this subsection does not apply to an audited financial
13 statement prepared by a certified public accountant that is submitted by a town or county
14 mutual pursuant to subsection (a1) of this section.

15 (c) ~~All~~ Except as provided herein, all statements filed under this section must be
16 prepared in accordance with the appropriate NAIC Annual Statement Instructions
17 Handbook and pursuant to the NAIC Accounting Practices and Procedures Manual and
18 on the NAIC Model Financial Statement Blank, unless further modified by the
19 Commissioner as the Commissioner considers to be appropriate. This subsection does
20 not apply to statements filed by a town or county mutual organized under G.S. 58-7-
21 75(5)d. if for the preceding year it had a direct written premium of less than one hundred
22 fifty thousand dollars (\$150,000) and fewer than 400 policyholders."

23 Section 2. This act is effective retroactively to October 30, 1998.