

§ 58-12-2. Definitions.

As used in this Article, the following terms have the following meanings:

- (1) Adjusted risk-based capital report. – A risk-based capital report that has been adjusted by the Commissioner under G.S. 58-12-6.
- (2) Corrective order. – An order issued by the Commissioner specifying corrective actions that the Commissioner has determined are required.
- (3) Domestic insurer. – Any insurance company or health organization organized in this State under Article 7 of this Chapter as specified in subdivisions (4b) and (5a) of this section or under Article 15, 65, or 67 of this Chapter or any risk retention group organized in this State under Part 9 of Article 10 of this Chapter.
- (4) Foreign insurer. – Any insurance company or health organization that is admitted to do business in this State under Article 16 or 67 of this Chapter but is not domiciled in this State.
- (4a) Health organization. – Any insurer which is required by the Commissioner to use the NAIC Health Annual Statement Blank when filing the annual statement prescribed by G.S. 58-2-165 or any health maintenance organization, limited health service organization, dental or vision plan, hospital, medical, or dental indemnity or service corporation, or other organization licensed under Article 65 or 67 of this Chapter. "Health organization" does not include an insurer that is licensed as either a life or health insurer or a property or casualty insurer under this Chapter and that is otherwise subject to either the life or property and casualty risk-based capital requirements.
- (4b) Life or health insurer. – Any insurance company licensed to write the kinds of insurance specified in G.S. 58-7-15(1), (2), or (3); or a licensed property and casualty insurer writing only the kinds of insurance specified in G.S. 58-7-15(3). "Life or health insurer" does not mean any insurer that is required by the Commissioner to use the NAIC Health Annual Statement Blank when it files the annual statement prescribed by G.S. 58-2-165.
- (5) Negative trend. – A negative trend, with respect to a life or health insurer, over a period of time, as determined in accordance with the "trend test calculation" included in the risk-based capital instructions.
- (5a) Property or casualty insurer. – Any insurance company licensed to write the kinds of insurance specified in G.S. 58-7-15(4) through (22); but not monoline mortgage guaranty insurers, financial guaranty insurers, or title insurers; nor any insurer that is required by the Commissioner to use the NAIC Health Annual Statement Blank when filing the annual statement prescribed by G.S. 58-2-165.
- (6) Risk-based capital instructions. – The risk-based capital report including risk-based capital instructions adopted by the NAIC, as those risk-based capital instructions may be amended by the NAIC from time to time in accordance with the procedures adopted by the NAIC.
- (7) Risk-based capital level. – An insurer's company action level risk-based capital, regulatory action level risk-based capital, authorized control level risk-based capital, or mandatory control level risk-based capital where:
 - a. "Company action level risk-based capital" means, with respect to any insurer, the product of 2.0 and its authorized control level risk-based capital.

- b. "Regulatory action level risk-based capital" means the product of 1.5 and its authorized control level risk-based capital.
 - c. "Authorized control level risk-based capital" means the number determined under the risk-based capital formula in accordance with the risk-based capital instructions.
 - d. "Mandatory control level risk-based capital" means the product of .70 and the authorized control level risk-based capital.
- (8) Risk-based capital plan. – A comprehensive financial plan containing the elements specified in G.S. 58-12-11(b). If the Commissioner rejects the risk-based capital plan, and it is revised by the insurer, with or without the Commissioner's recommendation, the plan shall be called the "revised risk-based capital plan".
- (9) Risk-based capital report. – The report required in G.S. 58-12-6.
- (10) Total adjusted capital. – The sum of:
- a. An insurer's statutory capital and surplus, as determined in accordance with the statutory accounting applicable to the annual financial statements required under G.S. 58-2-165; and
 - b. Such other items, if any, as the risk-based capital instructions may provide. (1993 (Reg. Sess., 1994), c. 678, s. 1; 1995, c. 318, s. 2; 2001-223, ss. 12.1, 12.2, 12.3; 2011-196, s. 6; 2014-65, s. 21.)