

§ 58-7-50. Maintenance and removal of records and assets.

(a) Every domestic insurer shall maintain its home or principal office in this State and keep therein complete records of its assets, transactions, and affairs, specifically including:

- (1) Financial records;
- (2) Corporate records;
- (3) Reinsurance documents;
- (4) All accounting transactions;
- (5) Claim files; and
- (6) Payment of claims, in accordance with such methods and systems as are customary or suitable as to the kind or kinds of insurance transacted.

(b) Every domestic insurer shall have and maintain its assets in this State, except as to:

- (1) Real property and personal property appurtenant thereto lawfully owned by the insurer and located outside this State; and
- (2) Such property of the insurer as may be customary, necessary, and convenient to enable and facilitate the operation of its branch offices, regional home offices, and operations offices, located outside this State as referred to in G.S. 58-7-55.

(c) The removal from this State of all or a part of the records or assets of a domestic insurer except pursuant to a plan of merger or consolidation approved by the Commissioner or for such reasonable purposes and periods of time as may be approved by the Commissioner in writing in advance of such removal, or concealment of such records or assets or part thereof from the Commissioner is prohibited. Any person who, without the prior approval of the Commissioner, removes or attempts to remove such records or assets or part thereof from the office or offices in which they are required to be kept and maintained under subsection (a) of this section or who conceals or attempts to conceal such records from the Commissioner, in violation of this subsection, shall be guilty of a Class I felony. Upon any removal or attempted removal of such records or assets or upon retention of such records or assets or part thereof outside this State, beyond the period therefor specified in the consent of the Commissioner under which consent the records were so removed thereat, or upon concealment of or attempt to conceal records or assets in violation of this section, the Commissioner may institute delinquency proceedings against the insurer pursuant to the provisions of Article 30 of this Chapter.

(d) This section is subject to the exceptions provided in G.S. 58-7-55. The Commissioner may allow a domestic insurer to maintain certain records or assets outside this State.

(e) Every domestic insurer that has its home or principal office in a location outside this State on October 1, 1993, shall petition the Commissioner for approval to continue to operate in that manner. The Commissioner, in determining whether to approve or disapprove the petition, shall consider the exceptions of G.S. 58-7-55, as well as any other factors that might affect the Commissioner's ability to regulate the insurer, or that might affect the insurer's ability to service or protect its policyholders. (1985 (Reg. Sess., 1986), c. 1013, s. 7; 1989, c. 452, s. 3; 1993, c. 452, s. 5; c. 539, s. 1270; 1994, Ex. Sess., c. 24, s. 14(c); 1998-212, s. 26B(a).)