

NORTH CAROLINA GENERAL ASSEMBLY
1973 SESSION

CHAPTER 1035
SENATE BILL 1410

AN ACT TO AMEND THE UNEARNED PREMIUM RESERVE REQUIREMENT FOR
DOMESTIC TITLE INSURANCE COMPANIES.

The General Assembly of North Carolina enacts:

Section 1. G.S. 58-134.2 is hereby amended by adding at the end of said section a new sentence reading as follows:

"While said sums are so reserved they shall be withdrawn from the use of the insurer for its general purposes and impressed with a trust in favor of the holders of title policies and held available for reinsurance of the title policies in the event of insolvency of the insurer. Nothing herein contained shall preclude such an insurer from investing said reserve in investments authorized by law for such an insurer, and the income from such invested reserve shall be included in the general income of the insurer to be used by such insurer for any lawful purpose."

Sec. 2. Subsections (a) and (b) of G.S. 58-134.3 are hereby amended by deleting from said subsections the date "June 19, 1969" and inserting in lieu thereof the date "January 1, 1974".

Sec. 3. Subsection (c) of G.S. 58-134.3 is hereby rewritten to read as follows:

"(c) The aggregate of the amounts set aside in unearned premium reserves in any calendar year, pursuant to subsection (b) of this section, shall be reduced annually, at the end of each calendar year following the year in which the policy is issued, at the annual rate of one-twentieth of the aggregate of such amounts."

Sec. 4. Subsection (d) of G.S. 58-134.3 is hereby rewritten to read as follows:

"(d) The entire amount of the unearned premium reserve held as of January 1, 1974, shall be added to the reserve as of that date and shall be released from said reserve and restored to net profits at the annual rate of one-twentieth of the said entire amount, beginning in the next ensuing calendar year."

Sec. 5. This act shall become effective upon ratification.

In the General Assembly read three times and ratified, this the 25th day of March, 1974.