

NORTH CAROLINA GENERAL ASSEMBLY  
1973 SESSION

CHAPTER 490  
HOUSE BILL 454

AN ACT TO AMEND GENERAL STATUTE 58-79.2 SO AS TO PERMIT THE ISSUANCE  
OF VARIABLE LIFE INSURANCE CONTRACTS.

The General Assembly of North Carolina enacts:

**Section 1.** G.S. 58-79.2, as the same appears in the 1971 Cumulative Supplement of Volume 2B of the General Statutes, is hereby amended, as follows:

(a) By deleting from the first line of subsection (a) the word "annuity" and by inserting in the third line of said subsection immediately preceding the words "annuity benefits" the words "life insurance or".

(b) By deleting from subsection (b) the word "annuity" and by inserting immediately before the period appearing at the end of said subsection the following: "(including without limitation proceeds applied under optional modes of settlement or under dividend options) to provide for life insurance or annuities (and benefits incidental thereto) payable in fixed or variable amounts or both".

(c) By deleting from subsection (f) the words "No separate account shall invest in the voting securities of a single issuer in an amount" and by inserting in lieu thereof the words: "Unless otherwise permitted by law or approved by the Commissioner, no company shall purchase or otherwise acquire for its separate accounts the voting securities of any issuer if as a result of such acquisition the insurance company and its separate accounts, in the aggregate, will own".

(d) By deleting from the last sentence of subsection (i) the word "annuity".

(e) By rewriting the first sentence of subsection (k) to read as follows: "The life insurance company shall have the power and the company's charter shall be deemed amended to authorize such company to do all things necessary under any applicable state or federal law in order that variable contracts may be lawfully sold or offered for sale. To the extent such company deems it necessary to comply with any applicable federal or state laws, such company, with respect to any separate account, including without limitation any separate account which is a management investment company or a unit investment trust, may provide, for persons having an interest therein, appropriate voting and other rights and special procedures for the conduct of the business of such account, including without limitation special rights and procedures relating to investment policy, investment advisory services, selection of independent public accountants, and the selection of a committee, the members of which need not be otherwise affiliated with such company, to manage the business of such account."

(f) By deleting from the first line in subsection (o) the words "variable annuity" and by rewriting the second sentence of said subsection to read as follows: "Any such contract under which the benefits vary to reflect investment experience, including a group contract and any certificate in evidence of variable benefits issued thereunder, shall state that such dollar amount will so vary and shall contain on its first page a statement to the effect that the benefits thereunder are on a variable basis."

(g) By adding at the end of subdivision (3) of subsection (q) a new sentence reading: "The state of entry of an alien company shall be deemed its place of domicile for this purpose.", and said subsection(q) is further amended by rewriting the last sentence thereof to read as

follows: "If the company is a subsidiary of an admitted life insurance company, or affiliated with such company through common management or ownership, it may be deemed by the Commissioner to have met the provisions of this subsection if either it or the parent or affiliated company meets the requirements hereof."

(h) Subsection (s) is hereby rewritten to read as follows: "Except for G.S. 58-207 in the case of a variable annuity contract and G.S. 58-201.2, 58-207 and 58-211(1) in the case of a variable life insurance policy and except as otherwise provided in this section, all pertinent provisions of the insurance laws of this State shall apply to separate accounts and contracts issued in connection therewith. Any individual variable life insurance contract, delivered or issued for delivery within this State shall contain reinstatement and nonforfeiture provisions appropriate to such a contract. Any group variable life insurance contract, delivered or issued for delivery within this State shall contain grace provisions appropriate to such a contract. Any individual variable annuity contract, delivered or issued for delivery within this State shall contain reinstatement provisions appropriate to such a contract."

**Sec. 2.** This act shall be in full force and effect from and after July 1, 1973.

In the General Assembly read three times and ratified, this the 14th day of May, 1973.