

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1991

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SENATE BILL 333
Insurance Committee Substitute Adopted 5/2/91
House Committee Substitute Favorable 7/11/91

Short Title: Insurance Technical Amendment.

(Public)

Sponsors:

Referred to:

March 28, 1991

A BILL TO BE ENTITLED

AN ACT TO MAKE TECHNICAL AMENDMENTS TO AND CORRECTIONS IN
THE INSURANCE LAWS.

The General Assembly of North Carolina enacts:

Section 1. Article 64 of Chapter 58 of the General Statutes is amended by
adding the following section:

"§ 58-64-85. Other licensing or regulation.

Nothing in this Article affects the authority of the Department of Human Resources
or any successor agency otherwise provided by law to license or regulate any health
service facility or domiciliary service facility."

Sec. 2. Sections 3 and 5 of Chapter 758 and Section 45 of Chapter 1024 of
the 1989 Session Laws are repealed.

Sec. 3. G.S. 58-71-90 reads as rewritten:

**"§ 58-71-90. Appeal from denial, suspension, revocation or refusal to renew
license.**

Any applicant for issuance or renewal of a license as a bail bondsman or runner
whose application has been denied or any bail bondsman or runner whose license shall
have has been suspended or revoked, or renewal thereof denied, shall have the right of
revoked may appeal from such final order of the Commissioner thereon the denial,
suspension, or revocation pursuant to the provisions of G.S. 58-2-75. Article 4 of Chapter
150B of the General Statutes."

1 Sec. 4. The following sections and their catch lines are amended by
2 substituting "Commissioner" for "Commissioner of Insurance" and by substituting
3 "Department" for "Department of Insurance" wherever those words appear: G.S. 58-2-
4 10, 58-2-35, 58-2-115, 58-2-125, 58-2-150, 58-2-185, 58-2-200, 58-3-85, 58-3-90, 58-
5 3-140, 58-5-30, 58-5-60, 58-5-65, 58-5-70, 58-5-75, 58-5-80, 58-5-90, 58-5-95, 58-5-
6 110, 58-6-1, 58-6-5, 58-6-10, 58-6-15, 58-6-20, 58-7-1, 58-7-10, 58-7-35, 58-7-95(q),
7 (r), 58-7-105, 58-7-110, 58-7-115, 58-7-120, 58-7-135, 58-8-5(3), 58-8-45, 58-9-5(2),
8 and (3), 58-9-10, 58-10-1, 58-10-5, 58-11-1, 58-11-5, 58-11-15, 58-11-20, 58-11-25,
9 58-11-30, 58-12-5, 58-12-10, 58-12-20, 58-14-15, 58-16-15, 58-16-20(b), 58-16-25, 58-
10 16-30, 58-16-35(b)(1), and (2), 58-16-45, 58-18-5, 58-18-10, 58-18-15, 58-18-20, 58-
11 24-45(b) through (e), 58-24-50(b) through (d), 58-24-60, 58-24-65(a), (b) and (e), 58-
12 24-70, 58-24-90(f), 58-24-120(c), and (d), 58-24-125, 58-24-130, 58-24-135, 58-24-
13 140, 58-24-145(a), (b), (c), (e), and (f), 58-24-150(a), 58-24-155, 58-24-170, 58-24-175,
14 58-24-185(e), 58-25-25, 58-25-30, 58-25-50, 58-26-5, 58-26-10, 58-27-1, 58-27-10, 58-
15 27-15, 58-28-1, 58-28-10, 58-28-15, 58-28-40(b), 58-29-1(a), 58-29-20(a), 58-31-5, 58-
16 31-15, 58-31-20, 58-31-25, 58-31-45, 58-32-1, 58-33-85(a), 58-35-30(b), 58-36-5(a),
17 (b), and (d), 58-37-35(d), and (g)(6), 58-37-40(b), 58-45-5(7), 58-45-50, 58-45-60, 58-
18 45-75, 58-46-20(a), 58-50-10, 58-50-55(b), and (c), 58-50-65(b), 58-50-70, 58-51-1, 58-
19 51-35(b), 58-51-95(a), 58-52-20, 58-58-125, 58-59-5, 58-59-10, 58-59-15, 58-59-20,
20 58-59-25, and 58-59-30.

21 Sec. 5. The following sections and their catch lines are amended by
22 substituting "Commissioner" for "Insurance Commissioner" and by substituting
23 "Department" for "Insurance Department" wherever those words appear: G.S. 58-2-1,
24 58-2-35, 58-3-65, 58-3-150(a), 58-18-5, 58-29-20(b), and 58-35-95.

25 Sec. 6. G.S. 58-37-1(2), 58-37-70, 58-38-15(2), 58-38-35(b), 58-40-5(2), 58-
26 45-5(3), 58-47-5(2), 58-48-20(3), 58-57-5(1), and 58-63-5(1) are repealed.

27 Sec. 7. G.S. 58-3-145 is amended by substituting "section" for "Article".

28 Sec. 8. G.S. 58-64-35(e), as contained in Section 6 of Chapter 196 of the
29 1991 Session Laws, is amended by substituting "subdivision (a)(2) of this section" for
30 "G.S. 58-64-35(a)(2)(i)".

31 Sec. 9. G.S. 58-7-130 is amended by substituting "G.S. 58-7-125" for "the
32 preceding section".

33 Sec. 10. G.S. 58-8-20 is amended by substituting "Chapter" for "Subchapter".

34 Sec. 11. G.S. 58-9-5(4) is amended by substituting "55-13-1 to 55-13-3, 55-
35 13-20 to 55-13-26, 55-13-28, 55-13-30, and 55-13-31" for "55-113(d), (e), (f), (g) and
36 (h)".

37 Sec. 12. G.S. 58-9-10 is amended by substituting "55-1-20, 55-1-23, and 55-
38 1-25" for "55-4".

39 Sec. 13. G.S. 58-11-15 is amended by substituting "G.S. 58-11-10" for "the
40 foregoing section".

41 Sec. 14. G.S. 58-12-1 is amended by substituting "Article 7 of this
42 Chapter" for "the preceding Article".

43 Sec. 15. G.S. 58-15-5(3) is amended by substituting "58-1-5(9)" for "58-1-
44 5(7)".

- 1 Sec. 16. G.S. 58-16-15 is amended by substituting "Article 5" for "Article 4".
- 2 Sec. 17. G.S. 58-19-15(g) is amended before "amount" by substituting
3 "an" for "a".
- 4 Sec. 18. G.S. 58-19-30(b)(3) is amended before "insurer's" by substituting
5 "the" for "the the".
- 6 Sec. 19. G.S. 58-24-125(a), 58-58-50(c), and 58-58-55(e) are amended by
7 substituting "NAIC" for "National Association of Insurance Commissioners".
- 8 Sec. 20. G.S. 58-24-140(c) is amended by substituting "58-24-170" for
9 "Section 35".
- 10 Sec. 21. G.S. 58-24-175 is amended by substituting "G.S. 58-2-75" for "the
11 APA".
- 12 Sec. 22. G.S. 58-33-130(b) is amended by substituting "limited
13 representatives" for "limited field representatives".
- 14 Sec. 23. G.S. 58-30-175(9) is amended by substituting "67" for "64".
- 15 Sec. 24. G.S. 58-46-10(a) is amended by substituting "105-278.1 through
16 105-278.8" for "105-296 and 105-297".
- 17 Sec. 25. G.S. 58-45-35(d) is amended by substituting "33" for "45".
- 18 Sec. 26. G.S. 58-46-40 is amended by substituting "this Chapter" for "Chapter
19 58".
- 20 Sec. 27. G.S. 58-48-60(b) is amended by substituting "an NAIC" for "a
21 National Association of Insurance Commissioners".
- 22 Sec. 28. G.S. 58-50-1 is amended by substituting "Articles 50 through 55 of
23 this Chapter" for "this Subchapter".
- 24 Sec. 29. G.S. 58-50-5(c), 58-50-15, and 58-50-30 are amended by
25 substituting "Articles 50 through 55" for "Articles 47 and 49 through 53".
- 26 Sec. 30. G.S. 58-57-20 is amended by substituting "58-57-50" for "58-351".
- 27 Sec. 31. G.S. 58-58-55(d) is amended before "least" by substituting "at" for
28 "a".
- 29 Sec. 32. G.S. 58-58-125 is amended by substituting "143B-472 through
30 143B-472.28" for "58-224 to 58-241".
- 31 Sec. 33. G.S. 58-63-50 is amended by substituting "the Superior Court of" for
32 "a court of competent jurisdiction in".
- 33 Sec. 34. G.S. 58-51-85 is amended between "policy" and "group" by
34 substituting "of" for "or".
- 35 Sec. 35. G.S. 58-51-15(e) and (g) are amended by substituting "Articles 50
36 through 55 of this Chapter" for "this Subchapter".
- 37 Sec. 36. G.S. 58-67-50(e) is amended by substituting "America" for
38 "American".
- 39 Sec. 37. G.S. 58-50-25 and G.S. 58-65-35 are amended by substituting "90-
40 171.23" for "90-162".
- 41 Sec. 38. G.S. 58-65-60(e)(4) and G.S. 58-67-85(e) are amended by
42 substituting "corporation under Articles 1 through 67 of this Chapter" for "Chapter 58,
43 Articles 1 through 67 corporation".

1 Sec. 39. G.S. 58-64-1(6) is amended before "life care" by substituting "or" for
2 "of".

3 Sec. 40. G.S. 58-67-5(e) is amended before "hospitalization" by substituting
4 "or" for "of".

5 Sec. 41. G.S. 58-67-10(d)(1) and G.S. 58-71-50(6) are amended by
6 substituting "this Article" for "this Chapter".

7 Sec. 42. G.S. 58-38-35(a)(2), 58-50-65, and 58-50-70 are amended by
8 substituting "Articles 50 through 55" for "Articles 47 and 50 through 54".

9 Sec. 43. G.S. 58-21-100(a) is amended by substituting "58-16-30" for "58-16-
10 35".

11 Sec. 44. G.S. 58-55-25 is amended by substituting "d" for "(d)".

12 Sec. 45. G.S. 58-24-185(a)(4) and G.S. 58-55-30(b)(2) are amended by
13 substituting "; or" for the period.

14 Sec. 46. G.S. 58-68-10(b)(11) is amended by substituting "than" for "that".

15 Sec. 47. G.S. 58-78-1(a)(1) is amended by substituting "Firemen's" for
16 "Fireman's".

17 Sec. 48. G.S. 58-86-55 is amended by substituting "58-86-30" for "58-36-30".

18 Sec. 49. G.S. 14-399(d) is amended by substituting "58-36-65" for "58-30.4".

19 Sec. 50. G.S. 58-2-115 is amended before "Department" by deleting "State
20 Insurance".

21 Sec. 51. G.S. 58-3-150(a) is amended after "Commissioner" by deleting "of
22 Insurance of North Carolina".

23 Sec. 52. G.S. 58-5-100 is amended after "Commissioner" by deleting "of
24 Insurance in this State".

25 Sec. 53. G.S. 58-7-35 is amended after "Commissioner" by deleting "of
26 Insurance of the State".

27 Sec. 54. G.S. 58-14-15 is amended before "Commissioner" by deleting
28 "North Carolina".

29 Sec. 55. G.S. 58-24-185(3) is amended at the end by deleting "or".

30 Sec. 56. G.S. 58-28-15 is amended after "G.S. 58-16-35" by deleting ",
31 known as the 'Unauthorized Insurers Process Act'".

32 Sec. 57. G.S. 58-29-20(a) is amended after "58-29-10" by deleting "hereof".

33 Sec. 58. G.S. 58-45-25 is amended after "G.S. 58-45-10" by deleting "of this
34 Article".

35 Sec. 59. G.S. 58-45-30 is amended after "G.S. 58-45-1" by deleting "of this
36 Article".

37 Sec. 60. G.S. 58-52-25 is amended by deleting "North Carolina Insurance".

38 Sec. 61. G.S. 58-58-65 is amended by deleting "of Insurance in this State".

39 Sec. 62. G.S. 58-63-20 is amended by deleting "of this Article".

40 Sec. 63. G.S. 58-63-50 is amended by deleting "pursuant to G.S. 58-2-70".

41 Sec. 64. G.S. 58-51-50(d)(2) and (3), 58-65-75(d)(2) and (3), and 58-67-
42 70(d)(2) and (3) are amended by deleting "[or]".

43 Sec. 65. G.S. 20-310(g) reads as rewritten:

44 "(g) Nothing in this section shall apply:

- 1 (1) If the insurer has manifested its willingness to renew by issuing or
2 offering to issue a renewal policy, certificate or other evidence of
3 renewal, or has manifested such intention by any other means,
4 including the mailing by first-class mail of a premium notice or
5 expiration notice, and the insured has failed to pay the required
6 premium prior to the premium due date;
- 7 (2) If the named insured has notified in writing the insurer or its agent that
8 he wishes the policy to be canceled or that he does not wish the policy
9 to be ~~renewed~~; renewed.
- 10 (3) ~~To any policy of automobile insurance which has been in effect less~~
11 ~~than 60 days, unless it is a renewal policy, or to any policy which has~~
12 ~~been written or written and renewed for a consecutive period of 48~~
13 ~~months or longer."~~

14 Sec. 66. G.S. 58-11-1 is amended by deleting "under this department".

15 Sec. 67. G.S. 58-3-25(c) is amended in the second sentence immediately
16 after "of G.S." by inserting "58-3-120, 58-33-80, 58-58-35, and".

17 Sec. 68. G.S. 58-30-215(a) is amended before "the Court" by inserting "as".

18 Sec. 69. G.S. 58-67-10(b)(1) is amended before "continue" by inserting "to".

19 Sec. 70. G.S. 20-310(k) is amended by substituting "subsection (f)" for
20 "subsection (e)".

21 Sec. 71. G.S. 58-3-95 is repealed.

22 Sec. 72. G.S. 58-52-5 is amended by deleting the last sentence.

23 Sec. 73. G.S. 58-39-95(a) is amended by deleting "knowing" and by rewriting
24 the remainder of the subsection after "may" to read: "levy a civil penalty under G.S. 58-
25 2-70."

26 Sec. 74. Section 1 of Chapter 846 of the 1981 Session Laws is amended in
27 G.S. 58-390(a) by substituting "from an individual" for "form an individual".

28 Sec. 75. G.S. 58-33-25(dl) reads as rewritten:

29 "(dl) A life, accident and health insurance license shall authorize an agent to sell
30 variable contracts, provided that the licensee satisfies the Commissioner that he has
31 ~~successfully completed Part I, NASD Securities Examination, or an alternative examination~~
32 ~~satisfactory to the Commissioner; and that he has complied with all securities registration~~
33 ~~requirements under State and federal law. met the NASD requirements of the Secretary of~~
34 State of North Carolina."

35 Sec. 76. G.S. 55A-3(a)(3) is amended by substituting "Article 65 of Chapter
36 58" for "Chapter 57".

37 Sec. 77. The last paragraph of G.S. 153A-351(b) is amended by substituting
38 "Article 9C" for "Article 9B".

39 Sec. 78. G.S. 130A-148(g) is amended by substituting "Chapter 58 of the
40 General Statutes" for "G.S. Chapter 58".

41 Sec. 79. The first paragraph of G.S. 58-65-95 is amended by substituting
42 "corporation subject to this Article" for "hospital service corporation".

43 Sec. 80. G.S. 168-10 is amended in the penultimate and final sentences by
44 deleting "Chapter 57 or" and "Chapter 57 and" respectively.

1 Sec. 81. G.S. 58-51-55 reads as rewritten:

2 **"§ 58-51-55. No discrimination against the mentally ill and chemically dependent.**

3 (a) As used in this section, the term:

4 (1) 'Mental illness' has the same meaning as defined in G.S. 122C-3(21);
5 and

6 (2) 'Chemical dependency' has the same meaning as defined in G.S. 58-
7 51-50

8 with a diagnosis found in the Diagnostic and Statistical Manual of Mental Disorders
9 DSM-3-R or the International Classification of Diseases ICD/9/CM, or a later edition of
10 those manuals.

11 (b) No insurance company licensed in this State ~~pursuant to~~ under the provisions
12 of Articles 1 through 64 of this Chapter shall, solely because an individual to be insured
13 has or had a mental illness or chemical dependency:

14 (1) Refuse to issue or deliver to that individual any policy ~~(regardless of~~
15 ~~whether any of such policies shall be defined as individual, family,~~
16 ~~group, blanket, franchise, industrial or otherwise)~~ that affords benefits
17 or coverages for any medical treatment or service for physical illness
18 or injury;

19 (2) Have a higher premium rate or charge for physical illness or injury
20 coverages or benefits for that individual; or

21 (3) Reduce physical illness or injury coverages or benefits for that
22 individual.

23 (c) Nothing in this section prevents any insurance company from excluding from
24 coverage any physical illness or injury or mental illness or chemical dependency which
25 has existed previous to coverage of the individual by the insurance company or from
26 refusing to issue or deliver to that individual any policy because of the underwriting of
27 any physical condition whether or not related to mental illness or chemical dependency.

28 (d) This section applies only to group health insurance contracts covering 20 or
29 more employees."

30 Sec. 82. G.S. 58-65-90 is amended by adding a new subsection to read:

31 "(d) This section applies only to group contracts covering 20 or more employees."

32 Sec. 83. G.S. 58-67-75 is amended by adding a new subsection to read:

33 "(d) This section applies only to group contracts covering 20 or more employees."

34 Sec. 84. G.S. 58-55-15 reads as rewritten:

35 **"§ 58-55-15. Scope.**

36 This Article applies to ~~new and renewed~~ long-term care insurance policies ~~delivered or~~
37 ~~issued for delivery in this State on or after September 1, 1987.~~ State. This Article ~~is~~ does
38 ~~not intended to~~ supersede the obligations of any person subject to its provisions to
39 comply with other applicable laws and rules if ~~such those~~ laws and rules do not conflict
40 with this Article. The laws and rules established to govern ~~the medicare~~ Medicare
41 supplement insurance policies shall not apply to long-term care insurance. A policy that
42 is not advertised, marketed, or offered as long-term care insurance or nursing home
43 insurance is not subject to this Article."

1 Sec. 85. Section 7 of Chapter 207 of the 1989 Session Laws reads as
2 rewritten:

3 **"Sec. 7.** This act applies to all ~~new and renewal~~ long-term care insurance policies, as
4 defined in ~~G.S. 58-543(4) and (5), 58-55-20(4) and (5)~~, that are delivered or issued for
5 delivery in this State on and after the effective date of this act."

6 Sec. 86. G.S. 58-55-30(d) and (d1) are each amended by substituting "Except
7 as provided in G.S. 58-55-5," for "Effective October 1, 1989,".

8 Sec. 87. G.S. 58-11-20 is amended in the last sentence by substituting "six
9 adjacent counties" for "three adjacent counties".

10 Sec. 88. Chapter 775 of the 1989 Session Laws is amended by renumbering
11 "Sec. 6." as "Sec. 7." and by adding a new Section 6 to read:

12 **"Sec. 6.** This act does not apply to noncancelable disability insurance as defined in
13 G.S. 58-7-15(3)b."

14 Sec. 89. Section 7 of Chapter 196 of the 1991 Session Laws reads as
15 rewritten:

16 **"Sec. 7.** ~~This act is effective upon ratification. G.S. 58-64-20(a)(12), as amended by~~
17 Section 3 of this act, and Section 5 of this act become effective March 1, 1992. The
18 remainder of this act is effective upon ratification."

19 Sec. 90. G.S. 58-36-75(c) is amended in the table by rewriting the reference
20 to "20-141(a)" as follows:

21 "20-141(a) Only driving at least 11 miles per hour
22 over the posted speed limit ~~or driving in excess of~~
23 ~~the speed limit established by the State~~
24 ~~Department of Transportation under G.S. 20-~~
25 ~~141(d)(2)"~~

26 Sec. 91. G.S. 58-57-40(h) reads as rewritten:

27 "(h) In addition to the premium rate authorized, a charge may also be made for a
28 nonrefundable origination fee per credit life insurance transaction as set forth below:

29 Insured Indebtedness	Fee Permitted
30 less than \$250.00	none
31 \$250.00 or more but	\$1.00
32 less than \$500.00	
33 more than \$500.00	\$2.00
34 <u>\$500.00 or more</u>	<u>\$2.00</u>

35 No third or subsequent origination fee may be charged in connection with a third or
36 subsequent refinancing within any twelve-month period."

37 Sec. 92. G.S. 58-3-165(k), as enacted by Senate Bill 342 of the 1991 General
38 Assembly, is amended by inserting the following language between "this section," and
39 "the receiver" : "and the insurer suffered any loss or damage therefrom,".

40 Sec. 93. G.S. 58-62-21(d)(2), as enacted by Senate Bill 342 of the 1991
41 General Assembly, is amended by substituting "benefits," for "benefit,".

42 Sec. 94. G.S. 58-62-36(e), as enacted by Senate Bill 342 of the 1991 General
43 Assembly, is amended by inserting the following language immediately after
44 "subdivision (b)(2) or (d)(4)" : "of this section".

1 Sec. 95. Section 90 of this act becomes effective January 1, 1992, and applies
2 to offenses occurring on or after that date. The remainder of this act is effective upon
3 ratification.