

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1993

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SENATE BILL 1111

Short Title: Farmers Mutuals Incorporated.

(Public)

Sponsors: Senator Hoyle.

Referred to: Insurance.

May 11, 1993

A BILL TO BE ENTITLED

AN ACT TO ALLOW EACH OF THE MEMBERS OF THE FARMERS MUTUAL FIRE INSURANCE ASSOCIATION OF NORTH CAROLINA TO BE INDEPENDENTLY CHARTERED.

The General Assembly of North Carolina enacts:

Section 1. Article 8 of Chapter 58 of the General Statutes is amended by adding a new section to read:

"§ 58-8-60. Independent charters for members of the Farmers Mutual Fire Insurance Association of North Carolina.

(a) Each branch of the Farmers Mutual Fire Insurance Association of North Carolina ('Association'), created by Chapter 343 of the 1893 Private Laws of North Carolina, as amended, shall adopt articles of incorporation by a majority vote of its board of directors.

(b) The articles of incorporation shall provide for the name of the corporation, to be approved by the Commissioner; the kinds of insurance it proposes to transact and on what business plan or principle; and the place of its location in the State. The certificate of incorporation must be subscribed and sworn to by a majority of the board of directors before an officer authorized to take acknowledgement of deeds, who shall certify the certificate to the Commissioner. The Commissioner shall review the certificate and articles of incorporation and file them in accordance with the provisions of G.S. 58-7-35.

(c) The independently chartered former branches of the Association shall transact the same kinds of insurance and operate under the same business plan as they did as

1 members of the Association. The assets of each branch shall remain the assets of each
 2 independently chartered former branch created pursuant to this section.

3 (d) The independently chartered former branches of the Association may change
 4 their methods of operation upon compliance with G.S. 58-8-5 and applicable provisions
 5 of this Chapter.

6 (e) The corporations created under this section are subject to applicable
 7 provisions of this Chapter.

8 (f) The corporations created under this section shall enjoy the same rights,
 9 privileges, and exemptions as enjoyed by the former Association.

10 (g) No officer nor member of the board of directors of an independently
 11 chartered former branch shall incur any liability for actions taken in good faith pursuant
 12 to this section.

13 (h) Each independently chartered former branch shall pay the following fees to the
 14 Department of Insurance:

15	<u>\$50.00</u>	<u>Charter filing</u>
16	<u>20.00</u>	<u>Name change endorsement</u>

17 In addition, each independently chartered former branch shall pay a fifty dollar
 18 (\$50.00) charter fee to the Secretary of State."

19 Sec. 2. Chapter 343 of the 1893 Private Laws of North Carolina, Chapter 15
 20 of the 1895 Private Laws of North Carolina, Chapter 123 of the 1897 Private Laws of
 21 North Carolina, Chapter 18 of the 1903 Private Laws of North Carolina, Chapter 212 of
 22 the 1909 Private Laws of North Carolina, Chapter 445 of the 1911 Private Laws of
 23 North Carolina, Chapter 187 of the 1921 Private Laws of North Carolina, Chapter 285
 24 of the 1945 Session Laws of North Carolina, and Chapter 674 of the 1949 Session Laws
 25 of North Carolina are repealed; and the Farmers Mutual Fire Insurance Association of
 26 North Carolina is hereby abolished.

27 Sec. 3. Nothing in this act affects any policy that was written or issued by
 28 any branch of the Farmers Mutual Fire Insurance Association of North Carolina.

29 Sec. 4. G.S. 105-228.4(a) reads as rewritten:

30 "(a) Each insurance company shall, as a condition precedent for doing business in
 31 this State, on or before the first day of March of each year apply for and obtain from the
 32 Commissioner of Insurance a certificate of registration, or license, effective the first day
 33 of July, and shall pay for such certificate the following annual fees except as hereinafter
 34 provided in subsections (b) and (c):

35 For each domestic farmer's mutual assessment
 36 fire insurance company or ~~association, and each~~
 37 ~~branch thereof~~ association \$ 25.00

38 For each fraternal order 100.00

39 For each of all other insurance companies, except
 40 mutual burial associations taxed under G.S.

41 105-121.1 500.00

42 The fees levied above shall be in addition to those specified in G.S. 58-6-5."

43 Sec. 5. This act becomes effective January 1, 1994.