

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005**

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**HOUSE BILL 1236
Committee Substitute Favorable 5/25/05
Senate Commerce Committee Substitute Adopted 7/5/05**

Short Title: Insurance Bd. of Governors Membership.

(Public)

Sponsors:

Referred to:

April 18, 2005

A BILL TO BE ENTITLED

1 AN ACT TO REPLACE THE ALLIANCE OF AMERICAN INSURERS AND
2 NATIONAL ASSOCIATION OF INDEPENDENT INSURERS WITH THE
3 PROPERTY CASUALTY INSURERS ASSOCIATION OF AMERICA AND ONE
4 INSURER FROM THE INDUSTRY AT LARGE SELECTED BY THE INSURER
5 COMPANY MEMBERS OF THE BOARD AS TRADE ASSOCIATION
6 MEMBERS WHICH MUST BE REPRESENTED ON THE BOARD OF
7 GOVERNORS OF THE NORTH CAROLINA REINSURANCE FACILITY.
8

9 The General Assembly of North Carolina enacts:

10 **SECTION 1.** G.S. 58-37-35(d) reads as rewritten:

11 "(d) The Facility shall be administered by a Board of Governors. The Board of
12 Governors shall consist of 12 members having one vote each from the classifications
13 specified in this subsection and the Commissioner, who shall serve ex officio without
14 vote. Each Facility insurance company member serving on the Board shall be
15 represented by a senior officer of the company. Not more than one company in a group
16 under the same ownership or management shall be represented on the Board at the same
17 time. Five members of the Board shall be selected by the member insurers, which
18 members shall be fairly representative of the industry. To insure representative member
19 insurers, one each shall be selected from the ~~following trade associations:~~ following: the
20 American Insurance Association (or its successors), ~~the Alliance of American Insurers~~
21 ~~(or its successors), the National Association of Independent Insurers (or its successors),~~
22 the Property Casualty Insurers Association of America (or its successors), stock insurers
23 not affiliated with those trade associations, nonstock insurers not affiliated with those
24 trade associations, and the industry at large regardless of trade affiliation. The at-large
25 insurer shall be selected by the insurer company members of the Board. ~~all other stock~~
26 ~~insurers not affiliated with those trade associations, and all other nonstock insurers not~~
27 ~~affiliated with those trade associations.~~ The Commissioner shall appoint two members
28 of the Board who are Facility insurance company members domiciled in this State. The

1 Commissioner shall appoint five members of the Board who shall be fire and casualty
2 insurance agents licensed in this State and actively engaged in writing motor vehicle
3 insurance in this State. The ~~initial~~ term of office of the Board members shall be ~~two~~
4 ~~years. Following completion of initial terms, successors to the members of the original~~
5 ~~Board of Governors shall be selected to serve three years.~~ All members of the Board of
6 Governors shall serve until their successors are selected and qualified and the
7 Commissioner may fill any vacancy on the Board from any of the classifications
8 specified in this subsection until the vacancies are filled in accordance with this Article.
9 The Board of Governors of the Facility shall also have as nonvoting members two
10 persons who are not employed by or affiliated with any insurance company or the
11 Department and who are appointed by the Governor to serve at the Governor's
12 pleasure."

13 **SECTION 2.** This act becomes effective October 1, 2005.