

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005**

**SESSION LAW 2005-242
HOUSE BILL 1236**

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

The General Assembly of North Carolina enacts:

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

"(d) The Facility shall be administered by a Board of Governors. The Board of Governors shall consist of 12 members having one vote each from the classifications specified in this subsection and the Commissioner, who shall serve ex officio without vote. Each Facility insurance company member serving on the Board shall be represented by a senior officer of the company. Not more than one company in a group under the same ownership or management shall be represented on the Board at the same time. Five members of the Board shall be selected by the member insurers, which members shall be fairly representative of the industry. To insure representative member insurers, one each shall be selected from the ~~following trade associations:~~ following: the American Insurance Association (or its successors), ~~the Alliance of American Insurers (or its successors), the National Association of Independent Insurers (or its successors), the Property Casualty Insurers Association of America (or its successors),~~ stock insurers not affiliated with those trade associations, nonstock insurers not affiliated with those trade associations, and the industry at large regardless of trade affiliation. The at-large insurer shall be selected by the insurer company members of the Board. ~~all other stock insurers not affiliated with those trade associations, and all other nonstock insurers not affiliated with those trade associations.~~ The Commissioner shall appoint two members of the Board who are Facility insurance company members domiciled in this State. The Commissioner shall appoint five members of the Board who shall be fire and casualty insurance agents licensed in this State and actively engaged in writing motor vehicle insurance in this State. The ~~initial~~ term of office of the Board members shall be ~~two~~ three years. ~~Following completion of initial terms, successors to the members of the original Board of Governors shall be selected to serve three years.~~ All members of the Board of Governors shall serve until their successors are selected and qualified and the Commissioner may fill any vacancy on the Board from any of the classifications specified in this subsection until the vacancies are filled in accordance with this Article. The Board of Governors of the Facility shall also have as nonvoting members two persons who are not employed by or affiliated with any insurance company or the Department and who are appointed by the Governor to serve at the Governor's pleasure."

SECTION 2. This act becomes effective October 1, 2005.
In the General Assembly read three times and ratified this the 18th day of
July, 2005.

s/ Beverly E. Perdue
President of the Senate

s/ James B. Black
Speaker of the House of Representatives

s/ Michael F. Easley
Governor

Approved 2:15 p.m. this 29th day of July, 2005