

§ 58-7-163. Assets not allowed.

In addition to assets impliedly excluded by the provisions of G.S. 58-7-162, the following expressly shall not be allowed as assets in any determination of the financial condition of an insurer:

- (1) Repealed by Session Laws 2003-212, s. 7, effective October 1, 2003.
- (2) Advances (other than policy loans) to officers, directors, and controlling stockholders, whether secured or not, and advances to employees, agents, and other persons on personal security only.
- (3) Stock of the insurer or any material equity therein or loans secured thereby, or any material proportionate interest in the stock acquired or held through the ownership by the insurer of an interest in another firm, corporation, or business unit.
- (4) Repealed by Session Laws 2003-212, s. 7, effective October 1, 2003.
- (5) The amount, if any, by which the aggregate book value of investments as carried in the ledger assets of the insurer exceeds the aggregate value of the investments as determined under this Chapter.
- (6) Bonds, notes, or other evidences of indebtedness that are secured by mortgages or deeds of trust that are in default, to the extent of the cost or carrying value that is in excess of the value as determined pursuant to other provisions of this Chapter.
- (7) Repealed by Session Laws 2003-212, s. 7, effective October 1, 2003.
- (8) Certificates of contribution, surplus notes, or other similar evidences of indebtedness, to the extent that admission of these investments results in the double counting of these investments in the reporting entity's balance sheet.
- (9) Any asset that is encumbered in any manner unless the asset is authorized under G.S. 58-7-187 or G.S. 58-7-162(13); provided that an asset that is used as collateral to secure access to advances from a federal home loan bank, as defined by G.S. 58-30-10(9a), shall not be disallowed under the provisions of this section. (1991, c. 681, s. 29; 1993, c. 452, s. 9; 1993 (Reg. Sess., 1994), c. 678, s. 11; 2003-212, s. 7; 2017-164, s. 2; 2018-120, s. 4.1.)