

GENERAL ASSEMBLY OF NORTH CAROLINA
1983 SESSION

CHAPTER 374
HOUSE BILL 490

AN ACT TO PERMIT PAYMENT OF DIVIDENDS BASED ON THE LOSS
EXPERIENCE OF INDIVIDUAL POLICYHOLDERS IN WORKERS'
COMPENSATION INSURANCE.

The General Assembly of North Carolina enacts:

Section 1. G.S. 58-124.30 is amended on line 3 after the end of the first sentence by adding a new sentence to read:

"Individual policyholder loss experience may be considered as a factor in determining dividends for workers' compensation insurance and employers' liability insurance written in connection therewith."

Sec. 2. G.S. 58-97 is amended by rewriting the first sentence to read:

"(a) Any participating or dividend-paying company, stock or mutual or foreign or domestic, that writes other than life insurance or workers' compensation insurance and employers' liability insurance in connection therewith, may declare and pay a dividend to policyholders from its surplus, which shall include only its surplus in excess of any required minimum surplus."

Sec. 3. G.S. 58-97 is further amended by adding a new subsection (b) to read:

"(b) Any participating or dividend-paying company, stock or mutual or foreign or domestic, that writes workers' compensation insurance and employers' liability insurance in connection therewith may declare and pay a dividend to policyholders from its surplus, which shall include only its surplus in excess of any required minimum surplus. No such dividend shall be paid unless fair and equitable and for the best interest of the company and its policyholders. In declaring any dividend to its policyholders, any such company may make reasonable classifications of policies expiring during a fixed period. The payment of dividends to policyholders shall not be contingent upon the maintenance or renewal of the policy. All dividends shall be paid to the policyholder unless a written assignment thereof be executed. Neither the payment of dividends nor the rate thereof may be guaranteed by any company, or its agent, prior to the declaration of the dividend by the board of directors of such company. The holders of policies of insurance issued by a company in compliance with the orders of any public official, bureau, or committee, in conformity with any statutory requirement or voluntary arrangement, for the issuance of insurance to risks not otherwise acceptable to the company, may be established as a separate class of risks."

Sec. 4. This act is effective upon ratification.

In the General Assembly read three times and ratified, this the 23rd day of May, 1983.