

GENERAL ASSEMBLY OF NORTH CAROLINA
1983 SESSION

CHAPTER 690
HOUSE BILL 1006

AN ACT TO REQUIRE DESIGNATED AGENTS TO BE BONDED OR PROVIDE
OTHER FORMS OF INDEMNIFICATION FOR AGGRIEVED PERSONS.

The General Assembly of North Carolina enacts:

Section 1. G.S. 58-248.33(g)(6) is amended by adding a new paragraph at the end to read:

"The Commissioner shall require, as a condition precedent to the issuance, renewal, or continuation of a resident agent's license to any designated agent to act for the company appointing such designated agent under contract with the Facility, that the designated agent file and thereafter maintain in force while so licensed a bond in favor of the State of North Carolina executed by an authorized corporate surety approved by the Commissioner, cash, mortgage on real property, or other securities approved by the Commissioner, in the amount of ten thousand dollars (\$10,000) for the use of aggrieved persons. Such bond, cash, mortgage, or other securities shall be conditioned on the accounting by the designated agent (i) to any person requesting the designated agent to obtain motor vehicle insurance for monies or premiums collected in connection therewith, and (ii) to the company providing coverage with respect to any such monies or premiums under contract with the Facility. Any such bond shall remain in force until the surety is released from liability by the Commissioner, or until the bond is cancelled by the surety. Without prejudice to any liability accrued prior to such cancellation, the surety may cancel the bond upon 30 days' advance notice in writing filed with the Commissioner."

Sec. 2. This act shall become effective October 1, 1983.

In the General Assembly read three times and ratified, this the 6th day of July, 1983.