

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2005

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HOUSE BILL 1236  
Committee Substitute Favorable 5/25/05

Short Title: Insurance Bd. of Governors Membership.

(Public)

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Sponsors:

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Referred to:

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April 18, 2005

A BILL TO BE ENTITLED

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

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: the American  
20 Insurance Association (or its successors), ~~the Alliance of American Insurers (or its~~  
21 ~~successors), the National Association of Independent Insurers (or its successors),~~ the  
22 Property Casualty Insurers Association of America (or its successors), one from stock  
23 insurers not affiliated with those trade associations, one from nonstock insurers not  
24 affiliated with those trade associations, and one from the industry at large, regardless of  
25 trade affiliation. The at-large insurer shall be selected by the insurer company members  
26 of the Board. ~~all other stock insurers not affiliated with those trade associations, and all~~  
27 ~~other nonstock insurers not affiliated with those trade associations.~~ The Commissioner  
28 shall appoint two members of the Board who are Facility insurance company members  
29 domiciled in this State. The Commissioner shall appoint five members of the Board who

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

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