

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2007**

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HOUSE BILL 1423

Short Title: MV Reinsurance Facility/Plan Notification. (Public)

Sponsors: Representatives Goforth, Holliman (Primary Sponsors); and Dockham.

Referred to: Insurance.

April 12, 2007

A BILL TO BE ENTITLED

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2 AN ACT TO REQUIRE INSURANCE COMPANIES TO NOTIFY THE NORTH
3 CAROLINA MOTOR VEHICLE REINSURANCE FACILITY OF CERTAIN
4 INFORMATION REGARDING THE INSURED AND THE INSURANCE
5 COVERAGE WITHIN FIVE DAYS OF THE BINDING OR POLICY EFFECTIVE
6 DATE IN ORDER TO TRANSFER BUSINESS TO THE FACILITY.

7 The General Assembly of North Carolina enacts:

8 **SECTION 1.** G.S. 58-37-40(e)(2) reads as rewritten:

9 "(2) In order to obtain a transfer of business to the Facility effective when
10 the binder or policy or renewal thereof first becomes effective, the
11 company must within ~~30 days~~ five business days of the binding or
12 policy effective date notify the Facility of the identification of the
13 insured, the coverage and limits afforded, classification data, and
14 premium. The Facility shall accept risks at other times on receipt of
15 necessary information, but acceptance shall not be retroactive. The
16 Facility shall accept renewal business after the member on
17 underwriting review elects to again cede the business."

18 **SECTION 2.** This act becomes effective October 1, 2007.