

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025

FILED SENATE
Mar 12, 2025
S.B. 276
PRINCIPAL CLERK

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SENATE BILL DRS45151-NE-82A

Short Title: Study Residual Property Market Mechanisms. (Public)

Sponsors: Senators Johnson, Hanig, and Brinson (Primary Sponsors).

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO STUDY POTENTIAL IMPROVEMENTS TO THE STATE'S RESIDUAL
3 PROPERTY MARKET MECHANISMS.

4 The General Assembly of North Carolina enacts:

5 **SECTION 1.** It is the intent of this act to study potential improvements to the residual
6 property market mechanisms established in Articles 45 and 46 of Chapter 58 of the General
7 Statutes in response to the increased challenges presented by the significant insured losses caused
8 by natural disasters.

9 **SECTION 2.** The North Carolina Insurance Underwriting Association (NCIUA), as
10 established under G.S. 58-45-10, and the Joint Underwriting Association (Association)
11 established under G.S. 58-46-5 shall jointly study the feasibility of both of the following:

12 (1) NCIUA establishing an excess property coverage option for insureds. For
13 purposes of this subdivision, "excess property coverage" is defined as property
14 coverage in addition to the insured's primary policy that is designed to cover
15 costs exceeding those covered by the insured's primary policy.

16 (2) The issuance of post-event catastrophe bonds as an option to provide for
17 covered losses caused by a named storm, as defined in G.S. 58-45-5, in excess
18 of NCIUA's or the Association's capacity to pay claims. For purposes of this
19 subdivision, "post-event catastrophe bonds" are defined as debt instruments,
20 issued in response to a named storm or other natural disaster, that transfer
21 liability or risk from a property insurance carrier to the State or other investors.

22 **SECTION 3.** No later than March 1, 2026, NCIUA and the Association shall report
23 the findings of this study, including any legislative recommendations, to the chairs of the House
24 of Representatives Insurance Committee and the Senate Commerce and Insurance Committee.

25 **SECTION 4.** This act is effective when it becomes law.



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