

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2007

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HOUSE DRH80200-LN-79B (2/9)

Short Title: Certain Entities Subject to Insurance Reg. (Public)

Sponsors: Representative Faison.

Referred to:

A BILL TO BE ENTITLED

AN ACT TO AUTHORIZE THE COMMISSIONER OF INSURANCE TO  
CONSIDER THE RESERVES OF AN INSURER WHEN REVIEWING THE  
RATES FILED BY AN INSURER.

The General Assembly of North Carolina enacts:

**SECTION 1.** G.S. 58-51-95(a) reads as rewritten:

"§ 58-51-95. **Approval by Commissioner of forms, classification and rates;  
hearing; exceptions.**

(a) No policy of insurance against loss or expense from the sickness, or from the  
bodily injury or death by accident of the insured shall be issued or delivered to any  
person in this State nor shall any application, rider or endorsement be used in  
connection therewith until a copy of the form thereof and of the ~~classification of risks  
and the premium rates, premium rates, classification of risks, and reserves,~~ or, in the  
case of cooperatives or assessment companies the estimated cost pertaining thereto,  
have been filed with the Commissioner."

**SECTION 2.** G.S. 58-51-95(c) reads as rewritten:

"(c) The Commissioner may within 90 days after the filing of any such form,  
disapprove such form

- (1) If the benefits provided therein are unreasonable in relation to the  
premium charged, or
- (2) If it contains a provision or provisions which are unjust, unfair,  
inequitable, misleading, deceptive or encourage misrepresentation of  
such policy.
- (3) If, after considering other factors, the level of the insurer's reserves  
exceeds the amount necessary to maintain the health of the company."

**SECTION 3.** This act is effective when it becomes law and applies to rate  
filings submitted to the Commissioner on and after that date.