

**§ 58-10-725. Exemption.**

(a) An insurer shall be exempt from the requirements of this Part if it meets both of the following standards:

- (1) The insurer has annual direct written and unaffiliated assumed premium, including international direct and assumed premium, but excluding premiums reinsured with the Federal Crop Insurance Corporation and Federal Flood Program, less than five hundred million dollars (\$500,000,000).
- (2) The insurance group of which the insurer is a member has annual direct written and unaffiliated assumed premium, including international direct and assumed premium, but excluding premiums reinsured with the Federal Crop Insurance Corporation and Federal Flood Program, less than one billion dollars (\$1,000,000,000).

(b) If an insurer qualifies for exemption pursuant to subdivision (1) of subsection (a) of this section, but the insurance group of which the insurer is a member does not qualify for exemption pursuant to subdivision (2) of subsection (a) of this section, then the ORSA Summary Report that may be required pursuant to G.S. 58-10-720 shall include every insurer within the insurance group, regardless of whether an insurer meets the standard of subdivision (1) of subsection (a) of this section. This requirement may be satisfied by the submission of more than one ORSA Summary Report for any combination of insurers within the group, provided that the reports, taken together, include every insurer within the insurance group.

(c) If an insurer does not qualify for exemption pursuant to subdivision (1) of subsection (a) of this section, but the insurance group of which it is a member qualifies for exemption pursuant to subdivision (2) of subsection (a) of this section, then the only ORSA Summary Report that may be required pursuant to G.S. 58-10-720 shall be the report applicable to that insurer.

(d) An insurer that does not qualify for exemption pursuant to subsection (a) of this section may apply to the Commissioner for a waiver from the requirements of this Part based upon unique circumstances. In deciding whether to grant the insurer's request for waiver, the Commissioner may consider the type and volume of business written, ownership and organizational structure, and any other factor the Commissioner considers relevant to the insurer or insurance group of which the insurer is a member. If the insurer is part of an insurance group with insurers domiciled in more than one state, the Commissioner shall coordinate with the lead state commissioner and with the other domiciliary commissioners in considering whether to grant the insurer's request for a waiver.

(e) Notwithstanding the exemptions stated in this section:

- (1) The Commissioner may require that an insurer maintain a risk management framework, conduct an ORSA, and file an ORSA Summary Report based on unique circumstances, including, but not limited to, the type and volume of business written, ownership and organizational structure, federal agency requests, and international supervisor requests.
- (2) The Commissioner may require that an insurer maintain a risk management framework, conduct an ORSA, and file an ORSA Summary Report if the insurer has a risk-based capital company action level event as set forth in G.S. 58-12-11, meets one or more of the standards of an insurer deemed to be in hazardous financial condition as defined in G.S. 58-30-60, or otherwise exhibits qualities of a troubled insurer as determined by the Commissioner.

(f) If an insurer that qualifies for an exemption pursuant to subsection (a) of this section subsequently no longer qualifies for that exemption due to changes in premium as reflected in the insurer's most recent annual statement or in the most recent annual statements of the

insurers within the insurance group of which the insurer is a member, the insurer shall have one year following the year the threshold is exceeded to comply with the requirements of this Part. (2017-136, s. 1.)