

**§ 58-12-40. Supplemental provisions; rules; exemptions.**

(a) The provisions of this Article are supplemental to any other provisions of the laws of this State, and do not preclude or limit any other powers or duties of the Commissioner under those laws, including Article 30 of this Chapter.

(b) Risk-based capital instructions, risk-based capital reports, adjusted risk-based capital reports, risk-based capital plans, and revised risk-based capital plans are solely for use by the Commissioner in monitoring the solvency of insurers and the need for possible corrective action with respect to insurers. The Commissioner shall not use any of these reports or plans for rate making nor consider or introduce them as evidence in any rate proceeding. The Commissioner shall not use these reports or plans to calculate or derive any elements of an appropriate premium level or rate of return for any kind of insurance that an insurer or any affiliate is authorized to write.

(c) The Commissioner may exempt from the application of this Article any domestic property or casualty insurer that:

- (1) Writes direct business only in this State.
- (2) Writes direct annual premiums of two million dollars (\$2,000,000) or less.
- (3) Assumes no reinsurance in excess of five percent (5%) of direct written premiums.

(d) The Commissioner may, in the Commissioner's discretion, exempt from the application of this Article:

- (1) Any domestic town or county mutual insurance company organized under G.S. 58-7-75(5)d.
- (2) Any domestic life or health insurer that:
  - a. Has no direct or assumed annual premiums; and
  - b. Has no direct or assumed policyholder obligations.
- (3) Any domestic health maintenance organization that:
  - a. Writes only direct business in this State;
  - b. Assumes no reinsurance in excess of five percent (5%) of direct written premiums; and
  - c. Writes direct annual premiums for a comprehensive medical business of two million dollars (\$2,000,000) or less, or is a single service health maintenance organization that covers less than 2,000 lives. (1993 (Reg. Sess., 1994), c. 678, s. 1; 1995, c. 318, s. 6; 2005-215, s. 22.)