

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

H

2

HOUSE BILL 926

Senate Pensions & Retirement and Insurance Committee Substitute Adopted 9/2/98

Short Title: Insurance Law Changes.

(Public)

Sponsors:

Referred to:

April 14, 1997

A BILL TO BE ENTITLED

AN ACT PERTAINING TO CHANGES IN THE INSURANCE LAWS AND RELATED LAWS.

The General Assembly of North Carolina enacts:

CHARITABLE GIFT ANNUITIES

Section 1. (a) G.S. 58-3-5 reads as rewritten:

"§ 58-3-5. No insurance contracts except under Articles 1 through 64 of this Chapter.

(a) ~~Except as provided in subsection (b) of this section, it~~ is unlawful for any company to make any contract of insurance upon or concerning any property or interest or lives in this State, or with any resident thereof, or for any person as insurance agent or insurance broker to make, negotiate, solicit, or in any manner aid in the transaction of such insurance, unless and except as authorized under the provisions of Articles 1 though 64 of this Chapter.

(b) A charitable organization as described in section 501(c)(3) or section 170(c) of the Internal Revenue Code or an educational institution may receive a transfer of property contingent upon its agreement to pay an annuity benefit to the transferor or the

1 transferor's nominee without being subject to this Chapter if the following conditions are
2 met:

3 (1) The organization or educational institution has been in active operation
4 for at least five years.

5 (2) The annuity agreement contains the following disclosure clause: 'This
6 annuity is not issued by an insurance company, is not subject to
7 regulation by the State of North Carolina, and is not protected or
8 otherwise guaranteed by any government agency or insurance guaranty
9 fund.'

10 (3) The organization or educational institution has reinsured its liability
11 under its annuity agreements with a licensed reinsurer and has notified
12 the Department of Insurance of the name of the reinsurer.

13 Subdivisions (1) and (3) of this subsection do not apply to an organization or
14 educational institution that was issuing annuity agreements prior to the effective date of
15 this section or to an organization formed solely to support an educational institution in
16 active operation at least five years prior to the effective date of this section.

17 (c) For purposes of this section, 'educational institution' means a school, academy,
18 institute, college, university, or other entity that maintains a faculty to provide instruction
19 to students and that is principally funded on a continuing basis by appropriations from the
20 State or a political subdivision of the State or that is subject to Chapters 115C, 115D, or
21 116 of the General Statutes."

22 (b) The Department of Insurance shall study the use of charitable gift annuities by
23 tax-exempt organizations and educational institutions and the need for solvency
24 requirements to ensure payment of the annuities. The Department shall report its
25 findings and recommendations to the General Assembly no later than March 1, 1999.

27 PPO CONTRACT DEEMER PROVISION

28 Section 2. G.S. 58-50-56(b) reads as rewritten:

29 "(b) Insurers may enter into preferred provider contracts or enter into other cost
30 containment arrangements approved by the Commissioner to reduce the costs of
31 providing health care services. These contracts or arrangements may be entered into with
32 licensed health care providers of all kinds without regard to specialty of services or
33 limitation to a specific type of practice. A preferred provider contract or other cost
34 containment arrangement that is not disapproved by the Commissioner within 90 days of
35 its filing by the insurer shall be deemed to be approved."

37 AVIATION INSURANCE

38 Section 3. G.S. 58-21-10(8) reads as rewritten:

39 "(8) 'Surplus lines insurance' means any insurance in this State of risks
40 resident, located, or to be performed in this State, permitted to be placed
41 through a surplus lines licensee with a nonadmitted insurer eligible to
42 accept such insurance, other than reinsurance, aviation insurance, wet
43 marine and transportation insurance, insurance independently procured

1 pursuant to G.S. 58-28-5, life and accident or health insurance, and
2 annuities."

4 **HMO INSOLVENCY CLAIMS PRIORITIES**

5 Section 4. G.S. 58-30-220 reads as rewritten:

6 **"§ 58-30-220. Priority of distribution.**

7 The priority of distribution of claims from the insurer's estate shall be in accordance
8 with the order in which each class of claims is set forth in this section. Every claim in
9 each class shall be paid in full or adequate funds shall be retained for payment before the
10 members of the next class receive any payment. No subcategories shall be established
11 within the categories in a class. The order of distribution of claims shall be:

12 (1) The receiver's expenses for the administration and conservation of
13 assets of the insurer.

14 (2) Claims or portions of claims for benefits under policies and for losses
15 incurred, including claims of third parties under liability policies; claims
16 of HMO enrollees and HMO enrollees' beneficiaries; claims for
17 unearned premiums; claims for funds or consideration held under
18 funding agreements, as defined in G.S. 58-7-16; claims under life
19 insurance and annuity policies, whether for death proceeds, annuity
20 proceeds, or investment values; and claims of domestic and foreign
21 guaranty associations, including claims for the reasonable
22 administrative expenses of domestic and foreign guaranty associations;
23 but excluding claims of insurance pools, underwriting associations, or
24 those arising out of reinsurance agreements, claims of other insurers for
25 subrogation, and claims of insurers for payments and settlements under
26 uninsured and underinsured motorist coverages.

27 (2a) For HMOs, claims of providers and participating providers, as defined
28 in G.S. 58-67-5(h) and G.S. 58-67-5(1), who are obligated by statute,
29 agreement, or court order to hold enrollees harmless from liability for
30 services provided and covered by an HMO.

31 (3) Claims of the federal or any state or local government or taxing
32 authority, including claims for taxes.

33 (4) Compensation actually owing to employees other than officers of the
34 insurer for services rendered within three months before the
35 commencement of a delinquency proceeding against the insurer under
36 this Article, but not exceeding one thousand dollars (\$1,000) for each
37 employee. In the discretion of the Commissioner, this compensation
38 may be paid as soon as practicable after the proceeding has been
39 commenced. This priority is in lieu of any other similar priority that
40 may be authorized by law as to wages or compensation of those
41 employees.

42 (5) Claims of general creditors, including claims of insurance pools,
43 underwriting associations, or those arising out of reinsurance

1 agreements; claims of other insurers for subrogation; and claims of
2 insurers for payments and settlements under uninsured and underinsured
3 motorist coverages."

4 Section 5. G.S. 58-67-145 reads as rewritten:

5 **"§ 58-67-145. Rehabilitation, liquidation, or conservation of health maintenance**
6 **organization.**

7 Any rehabilitation, liquidation or conservation of a health maintenance organization
8 shall be deemed to be the rehabilitation, liquidation, or conservation of an insurance
9 company and shall be conducted under the supervision of the Commissioner pursuant to
10 the law governing the rehabilitation, liquidation, or conservation of insurance companies,
11 except that the provisions of Articles 48 and 62 of this Chapter shall not apply to health
12 maintenance organizations. The Commissioner may apply for an order directing him to
13 rehabilitate, liquidate, or conserve a health maintenance organization upon one or more
14 grounds set out in Article 30 of this Chapter or when in his opinion the continued
15 operation of the health maintenance organization would be hazardous either to the
16 enrollees or to the people of this State.

17 ~~For the purpose of determining the priority of distribution of general assets, claims of~~
18 ~~enrollees and claims of enrollees' beneficiaries have the same claims' priorities as~~
19 ~~established by G.S. 58-30-220, for policyholders and beneficiaries of other insurance~~
20 ~~companies. Any provider who is obligated by statute, agreement, or court order to hold~~
21 ~~enrollees harmless from liability for services provided and covered by an HMO has a~~
22 ~~priority of distribution next subordinate to that of policyholders under G.S. 58-30-220, so~~
23 ~~that his status is after claims for unearned premiums, but before claims of general~~
24 ~~creditors. Providers who are not obligated to hold enrollees harmless shall be treated as~~
25 ~~general creditors and shall pursue claims against enrollees until final resolution of the~~
26 ~~estate of the liquidated HMO."~~

27
28 **NCIUA TECHNICAL CORRECTION**

29 Section 6. G.S. 58-45-10 reads as rewritten:

30 **"§ 58-45-10. North Carolina Insurance Underwriting Association created.**

31 There is hereby created the North Carolina Insurance Underwriting Association,
32 consisting of all insurers authorized to write and engage in writing within this State, on a
33 direct basis, essential property insurance, except town and county mutual insurance
34 associations and assessable mutual companies as authorized by G.S. 58-7-75(5)b, 58-7-
35 75(5)d, and 58-7-75(7)b and except an insurer who only writes insurance in this State on
36 property exempted from taxation by the provisions of ~~G.S. 105-296 and 105-297. G.S. 105-~~
37 278.1 through G.S. 105-278.8. Every such insurer shall be a member of the Association
38 and shall remain a member of the Association so long as the Association is in existence
39 as a condition of its authority to continue to transact the business of insurance in this
40 State."

41
42 **CHILDREN'S HEALTH INSURANCE PORTABILITY**

43 Section 7. G.S. 58-68-30(c)(1) reads as rewritten:

1 "(1) Creditable coverage defined. – For the purposes of this Article,
2 'creditable coverage' means, with respect to an individual, coverage of
3 the individual under any of the following:

- 4 a. A self-funded employer group health plan under the Employee
5 Retirement Income Security Act of 1974.
6 b. Group or individual health insurance coverage.
7 c. Part A or part B of title XVIII of the Social Security Act.
8 d. Title XIX of the Social Security Act, other than coverage
9 consisting solely of benefits under section 1928.
10 e. Chapter 55 of title 10, United States Code.
11 f. A medical care program of the Indian Health Service or of a
12 tribal organization.
13 g. A State health benefits risk pool.
14 h. A health plan offered under chapter 89 of title 5, United States
15 Code.
16 i. A public health plan (as defined in federal regulations).
17 j. A health benefit plan under section 5(e) of the Peace Corps Act
18 (22 U.S.C. § 2504(e)).
19 k. The Health Insurance Program for Children established in Part 8
20 of Chapter 108A of the General Statutes, or any successor
21 program.

22 'Creditable coverage' does not include coverage consisting solely of
23 coverage of excepted benefits."
24

25 CONDOMINIUM INSURANCE/INDIVIDUAL UNITS

26 Section 8. (a) G.S. 47C-3-113(a) reads as rewritten:

27 "(a) Commencing not later than the time of the first conveyance of a unit to a
28 person other than a declarant, the association shall maintain, to the extent available:

- 29 (1) Property insurance on the common elements ~~and units~~ insuring against
30 all risks of direct physical loss commonly insured against including fire
31 and extended coverage perils. The total amount of insurance after
32 application of any deductibles shall be not less than eighty percent
33 (80%) of the replacement cost of the insured property at the time the
34 insurance is purchased and at each renewal date, exclusive of land,
35 excavations, foundations and other items normally excluded from
36 property policies; and
37 (2) Liability insurance in reasonable amounts, covering all occurrences
38 commonly insured against death, bodily injury and property damage
39 arising out of or in connection with the use, ownership, or maintenance
40 of the common elements.

41 (b) G.S. 47C-3-113(b) reads as rewritten:

42 "~~The insurance maintained under subdivision (a)(1)~~ In the case of a building
43 containing units having horizontal boundaries described in the declaration, the insurance

1 maintained under subdivision (a)(1), to the extent reasonably available, shall include the
2 units, but need not include improvements and betterments installed by unit owners."

3 (c) G.S. 47C-3-113(c) reads as rewritten:

4 "(c) If the insurance described in subsection (a) or (b) of this section is not
5 reasonably available, the association promptly shall cause notice of that fact to be hand-
6 delivered or sent prepaid by United States mail to all unit owners. The declaration may
7 require the association to carry any other insurance, and the association in any event may
8 carry any other insurance it deems appropriate to protect the association or the unit
9 owners."

10 11 **SMALL EMPLOYER GROUP HEALTH INSURANCE**

12 Section 9. G.S. 58-50-110(14) reads as rewritten:

13 "(14) ~~'Late enrollee' means an eligible employee or dependent who requests~~
14 ~~enrollment in a health benefit plan of a small employer after the end of~~
15 ~~the initial enrollment period provided under the terms of the health~~
16 ~~benefit plan in effect at the time the employee first became eligible; has~~
17 ~~the same meaning as defined in G.S. 58-68-30(b)(2); provided that the~~
18 ~~initial enrollment period shall be a period of at least 30 consecutive~~
19 ~~calendar days. However, In addition to the special enrollment provisions~~
20 ~~in G.S. 58-68-30(f), an eligible employee or dependent shall not be~~
21 ~~considered a late enrollee under a small employer health benefit plan if:~~

22 a. ~~The individual was covered under a public or private~~
23 ~~health benefit plan that provided, at the time the individual~~
24 ~~was eligible to enroll, benefits equal to or exceeding the~~
25 ~~same required level of benefits in the basic or standard~~
26 ~~health care plans adopted pursuant to G.S. 58-50-120 and~~
27 ~~either the individual:~~

- 28 1. ~~Lost coverage under another health plan as a result~~
29 ~~of termination of employment, termination of a~~
30 ~~spouse's health plan coverage, or the death of a~~
31 ~~spouse or divorce and requests enrollment in a~~
32 ~~health benefit plan within 30 days after termination~~
33 ~~of coverage provided under another health plan; or~~
- 34 2. ~~Stated, in writing, during the enrollment period that~~
35 ~~coverage under another employer health benefit~~
36 ~~plan was the reason for declining coverage;~~

37 a. 3, 4. Repealed by Session Laws 1993, c. 529, s. 3.3.

38 b. The individual elects a different health benefit plan
39 offered through the Alliance or by the small employer
40 during an open enrollment period;

41 e. ~~An eligible employee requests enrollment within 30 days~~
42 ~~of becoming an employee of a member small employer;~~

- 1 d. A court has ordered coverage be provided for a spouse or
2 minor child under a covered employee's health benefit
3 plan and the request for enrollment for a spouse is made
4 within 30 days after issuance of the court order. A minor
5 child shall be enrolled in accordance with the
6 requirements of ~~G.S. 58-51-120~~; G.S. 58-51-120; or
7 e. ~~The individual or employee enrollee makes a request for~~
8 ~~enrollment of the spouse or child within 30 days after the~~
9 ~~individual's or employee's marriage or the birth, adoption,~~
10 ~~or placement for adoption of a child."~~

11 Section 10. G.S. 58-50-130(g) reads as rewritten:

12 "(g) A small employer carrier shall make the information and documentation
13 described in subsection (e) of this section available to the Commissioner upon request.
14 Except in cases of violations of this Act, the information is proprietary and trade secret
15 information and is not subject to disclosure by the Commissioner to persons outside of
16 the Department except as agreed to by the small employer carrier or as ordered by a court
17 of competent jurisdiction. Nothing in this section affects the Commissioner's authority to
18 approve rates before their use under G.S. 58-65-60(e) or G.S. 58-67-50(c)."

19 Section 11. G.S. 58-50-135(a) reads as rewritten:

20 "(a) Every small employer carrier shall elect either to become a risk-assuming
21 carrier and comply with the provisions of G.S. 58-50-140 or become a reinsuring carrier
22 and comply with the provisions of G.S. 58-50-145. The election shall be binding for a
23 five-year period except that ~~the a newly licensed carrier's initial election shall be made~~
24 ~~within 60 days after January 1, 1992, and shall be made for two years.~~ The Commissioner
25 may, for good cause, permit a carrier to modify its election during the five-year period.
26 All carriers under common ownership or control must make the same election in this
27 State; provided, however, that the Commissioner may, for good cause, permit an
28 affiliated carrier to make a separate election."
29

30 MEDICARE SUPPLEMENT INSURANCE

31 Section 12. G.S. 58-54-25 reads as rewritten:

32 "§ 58-54-25. Disclosure standards.

33 (a) In order to provide for full and fair disclosure in the sale of policies, no
34 policy or certificate shall be delivered in this State unless an outline of coverage is
35 delivered to the applicant at the time application is made.

36 (b) The Commissioner shall prescribe the format and content of the outline of
37 coverage required by subsection (a) of this section. For purposes of this section, 'format'
38 means style, arrangement, and overall appearance, including such items as the size, color,
39 and prominence of type and arrangement of text and captions. Such outline of coverage
40 shall include:

- 41 (1) A description of the principal benefits and coverage provided in the
42 policy;

- 1 (2) A statement of the exceptions, reductions, and limitations contained in
2 the policy;
- 3 (3) A statement of the renewal provisions, including any reservation by the
4 insurer of a right to change premiums; and
- 5 (4) A statement that the outline of coverage is a summary of the policy
6 issued or applied for and that the policy should be consulted to
7 determine governing contractual provisions.

8 (c) The Commissioner may prescribe by rule a standard form and the contents of
9 an informational brochure for persons eligible for Medicare, which is intended to
10 improve the buyer's ability to select the most appropriate coverage and improve the
11 buyer's understanding of Medicare. Except in the case of direct response insurance
12 policies, the Commissioner may require by rule that the information brochure be
13 provided to any prospective insured eligible for Medicare concurrently with delivery of
14 the outline of coverage. With respect to direct response insurance policies, the
15 Commissioner may require by rule that the prescribed brochure be provided upon request
16 to any prospective insured eligible for Medicare, but in no event later than the time of
17 policy delivery.

18 (d) The Commissioner may adopt rules for captions or notice requirements,
19 determined to be in the public interest and designed to inform prospective insureds that
20 particular insurance coverages are not Medicare supplement coverages, for all accident
21 and health insurance policies sold to persons eligible for Medicare, other than: Medicare
22 supplement policies; disability income policies; basic, catastrophic, or major medical
23 expense policies; or single premium, nonrenewable policies.

24 (e) The Commissioner may further adopt rules to govern the full and fair
25 disclosure of the information in connection with the replacement of accident and health
26 insurance policies, subscriber contracts, or certificates by persons eligible for Medicare.

27 (f) No insurer shall use attained age as a structure or methodology for its Medicare
28 supplement insurance rates unless the structure or methodology is fully disclosed to the
29 applicant at the time of application or to the insured at the time of delivery if the purchase
30 is by mail order. All types of solicitation materials shall clearly indicate that the
31 premiums are based on attained age, which means that those premiums will increase each
32 year. The Commissioner shall prescribe by rule the format and content of the attained
33 age rating disclosure notice. The notice shall include:

- 34 (1) A statement that attained age rating means that rates increase as the
35 insured ages or by the age group in which the insured is.
- 36 (2) An illustration based on actual attained age that states the dollar amount
37 of premium increase for the insured over a period of not less than 10
38 policy years and that displays the life expectancy of the insured at the
39 beginning of the period.
- 40 (3) A statement that premiums for other Medicare supplement policies that
41 are on issue age bases do not increase as the insured ages.
- 42 (4) A statement that other Medicare supplement policies that are on issue
43 age bases should be compared to policies on attained age bases."

1 Section 13. Article 54 of Chapter 58 of the General Statutes is amended by
2 adding two new sections to read:

3 **"§ 58-54-45. By reason of disability.**

4 In addition to any rule adopted under this Article that is directly or indirectly related
5 to open enrollment, an insurer shall at least make standardized Medicare Supplement
6 Plan A available to persons eligible for Medicare by reason of disability before age 65.
7 This action shall be taken without regard to medical condition, claims experience, or
8 health status. To be eligible, a person must submit an application during the six-month
9 period beginning with the first month the person first enrolls in Medicare Part B.

10 **"§ 58-54-50. Rules for compliance with federal law and regulations.**

11 The Commissioner may adopt rules necessary to conform Medicare supplement
12 policies and certificates to the requirements of federal law and regulations, including:

- 13 (1) Requiring refunds or credits if the policies or certificates do not meet
14 loss ratio requirements.
- 15 (2) Establishing a uniform methodology for calculating and reporting loss
16 ratios.
- 17 (3) Assuring public access to policies, premiums, and loss ratio information
18 of issuers of Medicare supplement insurance.
- 19 (4) Establishing standards for Medicare Select policies and certificates."
20

21 **LIFE INSURANCE ILLUSTRATIONS**

22 Section 14. G.S. 58-60-5 reads as rewritten:

23 **"§ 58-60-5. Scope of Article; exemptions.**

24 (a) Except as hereafter exempted, otherwise provided in this Article, this Article
25 shall apply-applies to any solicitation, negotiation or procurement of life insurance
26 occurring within this State. This Article shall apply-applies to any issuer of a life insurance
27 contract-contract, including fraternal benefit societies.

28 (b) Unless otherwise specifically included, this Article shall does not apply to:

- 29 (1) Annuities,
- 30 (2) Credit life insurance,
- 31 (3) Group life insurance,
- 32 (4) Life insurance policies issued in connection with pension and welfare
33 plans as defined by and ~~which~~ that are subject to the federal Employee
34 Retirement Income Security Act of 1974 (ERISA),
- 35 (5) Variable life insurance under which the death benefits and cash values
36 vary in accordance with unit values of investments held in a separate
37 account.

38 (c) The policy summary in this Article is not required for policies that are sold
39 subject to rules adopted by the Commissioner for life insurance illustrations."

40
41 **CIVIL PENALTY LAW CHANGES**

42 Section 15. G.S. 58-2-70 reads as rewritten:

1 **"§ 58-2-70. Civil penalties or restitution for violations; ~~summary suspension of license~~**
2 **~~or certificate. administrative procedure.~~**

3 (a) This section applies to any person who is subject to licensure or certification
4 under the provisions of Articles 1 through 64, 65 and 66, 67, 69, 70, or 71 of this Chapter.

5 (b) Whenever the Commissioner has reason to believe that any person has violated
6 any of the provisions of the ~~statutes cited in subsection (a) of this section, this Chapter,~~ and
7 the violation subjects the license or certification of that person to suspension or
8 revocation, ~~or whenever the Commissioner has reason to believe that any person has violated~~
9 ~~Article 63 of this Chapter, the Commissioner may issue and serve upon that person a written~~
10 ~~statement of charges and a written notice of hearing, to be held at a time and place fixed in the~~
11 ~~notice. The date for the hearing shall not be less than 10 days after the date of service. It shall be~~
12 ~~sufficient to give such notice either by delivering it to the person charged or by sending the~~
13 ~~notice to the last known address of that person by certified mail, return receipt requested. At the~~
14 ~~time and place fixed for the hearing the person charged shall have an opportunity to answer the~~
15 ~~charges against him and present evidence on his behalf. Upon good cause shown, the~~
16 ~~Commissioner may permit any adversely affected person to intervene, appear, and be heard at~~
17 ~~the hearing by counsel or in person. The Commissioner may consolidate a hearing under this~~
18 ~~section with a hearing allowed under G.S. 58-63-25 where there is common subject matter~~
19 ~~involved and subject to procedural requirements set out in both sections being followed. the~~
20 ~~Commissioner may, after notice and opportunity for a hearing, proceed under the~~
21 ~~appropriate subsections of this section.~~

22 (c) ~~In any case where a hearing pursuant to subsection (b) of this section results in~~
23 ~~the findings by the Commissioner of If, under subsection (b) of this section, the~~
24 ~~Commissioner finds a violation of any of the provisions of the statutes cited in subsection~~
25 ~~(a) of this section, and the violation subjects the license or certification of that person to~~
26 ~~suspension or revocation, or findings by the Commissioner of a violation of Article 63 of~~
27 ~~this Chapter, the Commissioner may, in addition to or in lieu instead of suspending or~~
28 ~~revoking the license or certification, order the payment of a monetary penalty as provided~~
29 ~~in subsection (d) of this section or apply to petition the Superior Court of Wake County~~
30 ~~for an order directing payment of restitution as provided in subsection (e) of this section,~~
31 ~~or both. Each day during which a violation occurs ~~shall constitute~~ constitutes a separate~~
32 ~~offense. violation.~~

33 (d) ~~Upon a finding by the Commissioner of a violation as specified in If the~~
34 ~~Commissioner orders the payment of a monetary penalty pursuant to subsection (c) of~~
35 ~~this section, the Commissioner shall direct the payment of a penalty of ~~not~~ shall not be less~~
36 ~~than one hundred dollars (\$100.00) nor more than one thousand dollars (\$1,000). In~~
37 ~~determining the amount of the penalty, the Commissioner shall consider the degree and~~
38 ~~extent of harm caused by the violation, the amount of money that inured to the benefit of~~
39 ~~the violator as a result of the violation, whether the violation was committed willfully,~~
40 ~~and the prior record of the violator in complying or failing to comply with laws, rules, or~~
41 ~~orders applicable to the violator. The penalty shall be payable to the Commissioner, who~~
42 ~~shall then forward the clear proceeds of which to the State Treasurer for deposit in the~~
43 ~~General Fund of the State. Payment of the civil penalty under this section shall be in~~
44 ~~addition to payment of any other penalty for a violation of the criminal laws of this State.~~

1 (e) ~~Upon application-petition of the Commissioner and a finding by the court of a~~
2 ~~violation as specified in subsection (e) of this section, the court may order the person who~~
3 ~~committed the a violation specified in subsection (c) of this section to make restitution in~~
4 ~~an amount that would make whole any person harmed by the violation. The petition may~~
5 ~~be made at any time and also in any appeal of the Commissioner's order.~~

6 (f) Restitution to any State agency for extraordinary administrative expenses
7 incurred in the investigation and hearing of the violation may also be ordered by the court
8 in such amount that would reimburse the agency for the expenses.

9 (g) Nothing in this section ~~shall prevent~~ prevents the Commissioner from
10 negotiating a mutually acceptable agreement with any person as to the status of the
11 person's license or certificate or as to any civil penalty or restitution.

12 (h) ~~Notwithstanding subsection (b) of this section, if the Commissioner finds that~~
13 ~~the public health, safety, or welfare requires emergency action and incorporates this~~
14 ~~finding in his order, summary suspension of a license or certificate may be ordered~~
15 ~~effective on the date specified in the order or on service of the certified copy of the order~~
16 ~~at the last known address of the licensee, whichever is later, and effective during the~~
17 ~~proceedings to suspend, revoke, or refuse renewal provided for in subsection (b) of this~~
18 ~~section. The proceedings shall be promptly commenced and determined. Unless~~
19 ~~otherwise specifically provided for, all administrative proceedings under this Chapter are~~
20 ~~governed by Chapter 150B of the General Statutes. Appeals of the Commissioner's~~
21 ~~orders under this section shall be governed by G.S. 58-2-75."~~

22 NOTICES FROM INDIVIDUAL LICENSEES

23 Section 16. Article 2 of Chapter 58 of the General Statutes is amended by
24 adding a new section to read:

25 **"§ 58-2-69. Notification of criminal convictions and changes of address; service of**
26 **notice.**

27 (a) As used in this section:

28 (1) 'License' includes any license, certificate, registration, or permit issued
29 under this Chapter.

30 (2) 'Licensee' means any person who holds a license.

31 (b) Every applicant for a license shall inform the Commissioner of the applicant's
32 residential address. Every licensee shall give written notification to the Commissioner of
33 any change of the licensee's residential address within 10 business days after the licensee
34 moves into the licensee's new residence. This requirement applies if the change of
35 residential address is by governmental action and there has been no actual change of
36 residence location; in which case the licensee must notify the Commissioner within 10
37 business days after the effective date of the change. A violation of this subsection is not a
38 ground for revocation, suspension, or nonrenewal of the license or for the imposition of
39 any other penalty by the Commissioner.

40 (c) If a licensee is convicted in any court of competent jurisdiction for any crime
41 or offense other than a motor vehicle infraction, the licensee shall notify the
42 Commissioner within 10 days after the date of the conviction. As used in this subsection,
43

1 'conviction' includes an adjudication of guilt, a plea of guilty, or a plea of nolo
2 contendere.

3 (d) Notwithstanding any other provision of law, whenever the Commissioner is
4 authorized or required to give any notice under this Chapter to a licensee, the notice may
5 be given personally or by sending the notice by first-class mail to the licensee at the
6 address that the licensee has provided to the Commissioner under subsection (b) of this
7 section.

8 (e) The giving of notice by mail under subsection (d) of this section is complete
9 upon the expiration of four days after the deposit of the notice in the post office. Proof of
10 the giving of notice by mail may be made by the certificate of any employee of the
11 Department."

13 **INSURANCE AGENTS, BROKERS, AND ADJUSTERS**

14 Section 17. G.S. 58-33-25(h) reads as rewritten:

15 "(h) A partnership or corporation that negotiates or solicits insurance may be
16 licensed as an agent, broker, or limited ~~representative provided that it maintains a place of~~
17 ~~business in this State.~~ representative. Every member of the partnership and every officer,
18 director, stockholder, and employee of the corporation personally engaged in this State in
19 soliciting or negotiating policies of insurance shall be registered with the Commissioner
20 and each such member, officer, director, stockholder or employee shall also qualify as an
21 individual licensee. The partnership or corporate licensee shall within 30 days notify the
22 Commissioner of any addition to or deletion from the list of registered individuals."

23 Section 18. G.S. 58-33-30(j) reads as rewritten:

24 "(j) Reciprocity Provision. – To the extent that other states that provide for the
25 licensing and regulation of and payment of commissions to agents, limited
26 representatives, or brokers, waive restrictions on the basis of reciprocity with respect to
27 North Carolina licensees applying for or holding nonresident licenses in such those states,
28 ~~all such the same~~ restrictions on licensees from such those states applying for or holding
29 North Carolina nonresident licenses shall be waived."

30 Section 19. G.S. 58-33-70 reads as rewritten:

31 **"§ 58-33-70. Special provisions for adjusters and motor vehicle damage appraisers.**

32 (a) It shall be unlawful and cause for revocation of license for a licensed adjuster
33 to engage in the practice of law.

34 (b) On behalf and on request of an insurer by which ~~he is appointed or for which he~~
35 ~~is licensed, any~~ an agent or limited representative is appointed, the agent or limited
36 representative may from time to time act as an adjuster and investigate and report upon
37 claims without being required to be licensed as an adjuster, provided: In no event may any
38 adjuster. No agent or limited representative shall adjust any losses in any amount where
39 his the agent's or representative's remuneration for the sale of insurance is in any way
40 dependent upon the adjustment of such those losses.

41 (c) Upon the filing of the application for ~~the license as adjuster and an adjuster's~~
42 license, the advance payment of the examination fee and upon fee, and the filing with the
43 Commissioner of a certificate signed by the employer of the applicant certifying that the

1 applicant is an individual of good character and is employed by the signer of the certificate and
2 will operate as a student or learner under the instruction and general supervision of a licensed
3 adjuster, and that the employer will be responsible for the adjustment acts of the learner during
4 the learning period, applicant's employer, the Commissioner may issue to the applicant a
5 learner's permit authorizing the applicant to act as an adjuster for a learning period of 90
6 days without a requirement of any other ~~or additional license; provided that not license.~~ Not
7 more than one learner-learner's permit shall ever be issued to one individual. The
8 employer's certificate required by this subsection shall certify that:

9 (1) The applicant is an individual of good character.

10 (2) The applicant is employed by the signer of the certificate.

11 (3) The applicant will operate as a student or learner under the instruction
12 and general supervision of a licensed adjuster.

13 (4) The employer will be responsible for the adjustment acts of the
14 applicant during the learning period.

15 (d) ~~No license shall be required of an adjuster licensed as such in another state for~~
16 ~~the adjustment in this State of a single loss, or of losses arising out of a catastrophe~~
17 ~~common to all such losses; provided that such adjuster notifies the Commissioner in~~
18 ~~writing prior to the adjusting of such loss or losses.~~

19 (e) The Commissioner may permit an experienced adjuster, who regularly adjusts
20 in another state and who is licensed in ~~such the~~ other state (if ~~such that~~ state requires a
21 license), to act as an adjuster in this State without a North Carolina ~~license,~~ license only
22 for an insurance company authorized to do business in this State, for emergency
23 insurance adjustment work, for a period of not exceeding 30 days, to be determined by the
24 Commissioner, done for an employer who is an adjuster licensed by this State or who is a
25 regular employer of one or more adjusters licensed by this State; provided that the
26 employer shall furnish to the Commissioner a notice in writing immediately upon the
27 beginning of any such emergency insurance adjustment work. As used in this subsection,
28 'emergency insurance adjustment work' includes, but is not limited to, (i) adjusting of a
29 single loss or losses arising out of an event or catastrophe common to all of those losses
30 or (ii) adjusting losses in any area declared to be a state of disaster by the Governor under
31 G.S. 166A-6 or by the President of the United States under applicable federal law.

32 (f) The Commissioner may permit an experienced motor vehicle damage appraiser
33 who is regularly appraising in another state and who is licensed in such other state (if
34 ~~such that~~ state requires a license) to act as a motor vehicle damage appraiser in this State
35 without a North Carolina license for emergency motor vehicle damage appraisal work for
36 a period not exceeding 30 days done for an employer who notifies the Commissioner, in
37 writing, at the beginning of the period of emergency appraisal work and who is:

38 (1) An insurance adjuster licensed by this State;

39 (2) A motor vehicle damage appraiser licensed by this State;

40 (3) A regular employer of one or more insurance adjusters licensed by this
41 State; or

42 (4) A regular employer of one or more motor vehicle damage appraisers
43 licensed by this State."

1 Section 20. G.S. 58-33-130(c) reads as rewritten:

2 "(c) ~~On and after January 1, 1992, any individual agent or broker desiring to renew~~
3 ~~an appointment or license shall offer evidence satisfactory to the Commissioner that he~~
4 ~~has complied with the continuing professional education requirements approved by the~~
5 ~~Commissioner. The license of any person who fails to comply with the continuing~~
6 ~~education requirements under this section shall lapse. The Commissioner may, for good~~
7 ~~cause shown, grant extensions of time to licensees to comply with these requirements."~~

8 Section 21. G.S. 58-33-130(h) reads as rewritten:

9 "(h) Any licensee ~~who~~ who, after obtaining an extension under subsection (c) of this
10 ~~section,~~ offers evidence satisfactory to the Commissioner ~~on forms prescribed by the~~
11 ~~Commissioner that he that the licensee~~ has satisfactorily completed the required continuing
12 professional education courses ~~shall be deemed to have complied~~ is in compliance with this
13 section."
14

15 TOWN AND COUNTY MUTUALS FINANCIAL REPORTS

16 Section 22. G.S. 58-2-165 reads as rewritten:

17 "**§ 58-2-165. Annual, semiannual, monthly, or quarterly statements to be filed with**
18 **Commissioner.**

19 (a) Every insurance company shall file in the Commissioner's office, on or before
20 March 1 of each year, a statement showing the business standing and financial condition
21 of the company, association, or order on the preceding December 31, signed and sworn to
22 by the chief managing agent or officer thereof, before the Commissioner or some officer
23 authorized by law to administer oaths. Provided, the Commissioner may, for good and
24 sufficient cause shown by an applicant company, extend the filing date of the company's
25 annual statement, for a reasonable period of time, not to exceed 30 days. In addition, the
26 Commissioner may require any insurance company, association, or order to file its
27 statement semiannually, quarterly, or ~~monthly.~~ monthly, except that a town or county
28 mutual, organized under G.S. 58-7-75(5)d., is required to file only an annual statement or
29 an audited financial statement that was prepared by a certified public accountant if for the
30 preceding year it had a direct written premium of less than one hundred fifty thousand
31 dollars (\$150,000) and fewer than 400 policyholders.

32 (b) The Commissioner may require statements under this section, G.S. 58-2-170,
33 and G.S. 58-2-190 to be filed in a format that can be read by electronic data processing
34 equipment.

35 (c) All statements filed under this section must be prepared in accordance with the
36 appropriate NAIC Annual Statement Instructions Handbook and pursuant to the NAIC
37 Accounting Practices and Procedures Manual and on the NAIC Model Financial
38 Statement Blank, unless further modified by the Commissioner as the Commissioner
39 considers to be appropriate."
40

41 BAIL BONDSMEN AND RUNNERS

42 Section 23. G.S. 58-71-50 reads as rewritten:

43 "**§ 58-71-50. Qualification for bail bondsmen and runners.**

1 (a) An applicant for a license as a bail bondsman or ~~runner, must~~ runner shall
2 furnish the Commissioner with a complete set of the applicant's fingerprints and a recent
3 passport size full-face photograph of the applicant. The applicant's fingerprints shall be
4 certified by an authorized law-enforcement officer. The fingerprints of every applicant
5 shall be forwarded to the State Bureau of Investigation for a search of the applicant's
6 criminal history record file, if any. If warranted, the State Bureau of Investigation shall
7 forward a set of the fingerprints to the Federal Bureau of Investigation for a national
8 criminal history record check. An applicant shall pay the cost of the State and any
9 national criminal history record check of the applicant.

10 (b) Every applicant for a license under this Article as a bail bondsman or runner
11 must meet all of the following qualifications:

12 (1) Be 18 years of age or over.

13 (2) Be a resident of this State.

14 ~~(3) Be a person of good moral character and not have been convicted of a~~
15 ~~felony or any crime involving moral turpitude.~~

16 (4) Have knowledge, training, or experience of sufficient duration and
17 extent to provide the competence necessary to fulfill the responsibilities
18 of a licensee.

19 (5) Have no outstanding bail bond obligations.

20 (6) Have no current or prior violations of any provision of this Article or of
21 Article 26 of Chapter 15A of the General Statutes or of any similar
22 provision of law of any other state.

23 (7) Not have been in any manner disqualified under the laws of this State or
24 any other state to engage in the bail bond business."

25 Section 24. G.S. 58-71-80 reads as rewritten:

26 "**§ 58-71-80. Grounds for denial, suspension, revocation or refusal to renew licenses.**

27 (a) The Commissioner may deny, suspend, ~~or revoke~~ revoke, or refuse to renew
28 any license ~~issued~~ under this Article for any of the following causes:

29 (1) For any cause sufficient to deny, suspend, or revoke the license under
30 any other provision of this Article.

31 ~~(2) Violation of any laws of this State relating to bail~~ A conviction of any
32 misdemeanor committed in the course of dealings under the license
33 issued by the Commissioner.

34 (3) Material misstatement, misrepresentation or fraud in obtaining the
35 license.

36 (4) Misappropriation, conversion or unlawful withholding of moneys
37 belonging to insurers or others and received in the conduct of business
38 under the license.

39 (5) Fraudulent or dishonest practices in the conduct of business under the
40 license.

41 (6) Conviction of a ~~felony regardless of the time the conviction occurred~~
42 ~~and regardless of whether the conviction resulted from conduct in or~~
43 ~~related to the bail bond business.~~ crime involving moral turpitude.

- 1 (7) Failure to comply with or violation of the provisions of this Article or of
2 any order, rule or regulation of the Commissioner.
- 3 (8) When in the judgment of the Commissioner, the licensee has in the
4 conduct of the licensee's affairs under the license, demonstrated
5 incompetency, financial irresponsibility, or untrustworthiness; or that
6 the licensee is no longer in good faith carrying on the bail bond
7 business; or that the licensee is guilty of rebating, or offering to rebate,
8 or offering to divide the premiums received for the bond.
- 9 (9) For failing to pay any judgment or decree rendered on any forfeited
10 undertaking in any court of competent jurisdiction.
- 11 (10) For charging or receiving, as premium or compensation for the making
12 of any deposit or bail bond, any sum in excess of that permitted by this
13 Article.
- 14 (11) For requiring, as a condition of executing a bail bond, that the principal
15 agree to engage the services of a specified attorney.
- 16 (12) For cheating on an examination for a license under this Article.
- 17 (13) For entering into any business association or agreement with any person
18 who is at that time found by the Commissioner to be in violation of any
19 of the bail bond laws of this State, or who has been in any manner
20 disqualified under the bail bond laws of this State or any other state,
21 whereby the person has any direct or indirect financial interest in the
22 bail bond business of the licensee or applicant.
- 23 (14) For knowingly aiding or abetting others to evade or violate the
24 provisions of this Article.
- 25 (15) Any cause for which issuance of the license could have been refused
26 had it then existed and been known to the Commissioner at the time of
27 issuance.

28 ~~(b) The Commissioner, in lieu of revoking or suspending a license in accordance~~
29 ~~with the provisions of this Article, may, in any one proceeding, by order, require the~~
30 ~~licensee to pay to the school fund in the licensee's county of residence a civil penalty of~~
31 ~~two hundred fifty dollars (\$250.00) for each offense. Upon the licensee's failure to pay~~
32 ~~the penalty within 20 days after the order is mailed, postage prepaid, registered and~~
33 ~~addressed to the licensee's last known place of business, unless the order is stayed by an~~
34 ~~order of the court of competent jurisdiction or unless the Commissioner has already~~
35 ~~suspended or revoked the license of the licensee, the Commissioner may revoke the~~
36 ~~license or may suspend the license for any period.~~

37 (b) The Commissioner shall deny, revoke, or refuse to renew any license under
38 this Article if the applicant or licensee is or has ever been convicted of a felony."

39 Section 25. G.S. 58-71-71(a) reads as rewritten:

40 "(a) In order to be eligible to take the examination required to be licensed as a
41 runner or bail bondsman under G.S. 58-71-70, each person shall complete at least ~~20~~12
42 hours of education in subjects pertinent to the duties and responsibilities of a runner or

1 bail bondsman, including all laws and regulations related to being a runner or bail
2 bondsman."

3 Section 26. G.S. 58-71-71(b) reads as rewritten:

4 "(b) Each year every licensee shall complete at least ~~40~~ six hours of continuing
5 education in subjects related to the duties and responsibilities of a runner or bail
6 bondsman before renewal of the license. This continuing education shall not include a
7 written or oral examination. A person who receives his first license on or after January 1
8 of any year does not have to comply with this subsection until the period between his first
9 and second license renewals."

10 Section 27. G.S. 58-71-165 reads as rewritten:

11 **"§ 58-71-165. Monthly report required.**

12 Each professional bail bondsman and surety bondsman shall file with the
13 Commissioner of Insurance a written report in form prescribed by the Commissioner
14 regarding all bail bonds on which the bondsman is liable as of the first day of each month
15 showing (i) each individual bonded, (ii) the date the bond was given, (iii) the principal
16 sum of the bond, (iv) the State or local official to whom given, and (v) the fee charged for
17 the bonding service in each instance. The report shall be filed on or before the fifteenth
18 day of each month. ~~Within the same time, a copy of this written report must also be filed with~~
19 ~~the clerk of superior court in any county in which the bondsman is obligated on bail bonds.~~ Any
20 person who knowingly and willfully falsifies a report required by this section is guilty of
21 a Class I felony."

22 Section 28. G.S. 58-71-71(e) reads as rewritten:

23 "(e) ~~Any person who falsely represents to the Commissioner that the requirements~~
24 ~~of this section have been met is subject, after notice and opportunity for hearing, to G.S.~~
25 ~~58-2-70. The license of any person who fails to comply with the continuing education~~
26 ~~requirements under this section shall lapse. The Commissioner may, for good cause~~
27 ~~shown, grant extensions of time to licensees to comply with these requirements. Any~~
28 ~~licensee who, after obtaining an extension under this subsection, offers evidence~~
29 ~~satisfactory to the Commissioner that the licensee has satisfactorily completed the~~
30 ~~required continuing professional education courses is in compliance with this section."~~

31 Section 29. G.S. 58-71-85(a) reads as rewritten:

32 "(a) The suspension or revocation of, or refusal to renew, any license under G.S.
33 58-71-80 shall be in accordance with the provisions of ~~Article 3A~~ of Chapter 150B of the
34 General Statutes."

35 Section 30. G.S. 58-71-20 reads as rewritten:

36 **"§ 58-71-20. Surrender of defendant by surety; when premium need not be**
37 **returned.**

38 At any time before there has been a breach of the undertaking in any type of bail or
39 fine and cash bond the surety may surrender the defendant to the official to whose
40 custody the defendant was committed at the time bail was taken, or to the official into
41 whose custody the defendant would have been given had he been committed; in such case
42 the full premium shall be ~~returned~~ returned within 72 hours after the surrender. The
43 defendant may be surrendered without the return of premium for the bond if ~~he has been~~

1 ~~guilty of nonpayment of premium, changing address without notifying his bondsman, concealing~~
2 ~~himself, leaving the jurisdiction of the court without the permission of his bondsman or violating~~
3 ~~his obligation to the court. the defendant does any of the following:~~

- 4 (1) Willfully fails to pay the premium to the surety or willfully fails to
5 make a premium payment under the agreement specified in G.S. 58-71-
6 167.
7 (2) Changes his or her address without notifying the surety before the
8 address change.
9 (3) Physically hides from the surety.
10 (4) Leaves the State without the permission of the surety.
11 (5) Violates any order of the court."

12 Section 31. G.S. 58-71-95(5) reads as rewritten:

- 13 "(5) Accept anything of value from a principal or from anyone on behalf of a
14 principal except the premium, which shall not exceed fifteen percent
15 (15%) of the face amount of the bond; provided that the bondsman shall
16 be permitted to accept collateral security or other indemnity from a
17 principal or from anyone on behalf of a principal. Such collateral
18 security or other indemnity required by the bondsman must be
19 reasonable in relation to the amount of the bond and shall be returned
20 ~~upon~~ within 72 hours after final termination of liability on the bond."
21

22 VIATICAL SETTLEMENT PROVIDERS

23 Section 32. G.S. 58-58-42(j) reads as rewritten:

24 "(j) Authority to Adopt Standards. – The Commissioner may:

- 25 (1) Adopt rules to implement this section.
26 (2) Establish standards for evaluating reasonableness of payments under
27 contracts. This authority includes regulation of discount rates used to
28 determine the amount paid in exchange for assignment, transfer, sale,
29 devise, or bequest of a benefit under a policy.
30 (3) Establish appropriate registration and other regulatory requirements for
31 brokers.
32 (4) ~~Require a bond."~~
33

34 HOME INSPECTORS

35 Section 33. G.S. 143-151.45 reads as rewritten:

36 "§ 143-151.45. Definitions.

37 The following definitions apply in this Article:

- 38 (1) Associate home inspector. – An individual who is affiliated with or
39 employed by a licensed home inspector to conduct a home inspection of
40 a residential building on behalf of the licensed home inspector.
41 (2) Board. – The North Carolina Home Inspector Licensure Board.
42 (3) Compensation. – A fee or anything else of value.

- 1 (4) Home inspection. – A written evaluation of ~~one~~ two or more of the
2 following components of a residential building: heating system, cooling
3 system, plumbing system, electrical system, structural components,
4 foundation, roof, masonry structure, exterior and interior components,
5 or any other related residential housing component.
- 6 (5) Home inspector. – An individual who engages in the business of
7 performing home inspections for compensation.
- 8 (6) Residential building. – A structure intended to be, or that is in fact, used
9 as a residence by one or more individuals."

10 Section 34. G.S. 143-151.52 reads as rewritten:

11 **"§ 143-151.52. Requirements to be licensed as an associate home inspector.**

12 To be licensed as an associate home inspector, a person must do all of the following:

- 13 (1) Submit a completed application to the Board upon a form provided by
14 the Board.
- 15 (2) Pass a licensing examination prescribed by the Board.
- 16 (3) Pay the applicable fees.
- 17 (4) Have a high school diploma or its equivalent.
- 18 (5) Be employed by or affiliated with or intend to be employed by or
19 affiliated with a licensed home inspector and submit a sworn statement
20 by ~~the~~ that licensed home inspector ~~with whom the applicant is or intends~~
21 ~~to be affiliated~~ certifying that the licensed home inspector will actively
22 supervise and train the applicant."

23 Section 35. G.S. 143-151.53 reads as rewritten:

24 **"§ 143-151.53. Notification ~~of~~ to applicant following evaluation of application.**

25 ~~The Board must review each application for a license submitted to it and must notify~~
26 ~~each applicant that the application is either accepted or rejected. The Board must send the~~
27 ~~notification of acceptance or rejection within 30 days of receiving the application. If the~~
28 ~~Board rejects an application, the notice sent to the applicant must state the reasons for the~~
29 ~~rejection.~~ If the Board finds that the applicant has not met fully the requirements for
30 licensing, the Board shall refuse to issue the license and shall notify in writing the
31 applicant of the denial, stating the grounds of the denial. The application may also be
32 denied for any reason for which a license may be suspended or revoked or not renewed
33 under G.S. 143-151.56. Within 30 days after service of the notification, the applicant
34 may make a written demand upon the Board for a review to determine the reasonableness
35 of the Board's action. The review shall be completed without undue delay, and the
36 applicant shall be notified promptly in writing as to the outcome of the review. Within
37 30 days after service of the notification as to the outcome, the applicant may make a
38 written demand upon the Board for a hearing under Article 3A of Chapter 150B of the
39 General Statutes if the applicant disagrees with the outcome."

40 Section 36. G.S. 143-151.56 reads as rewritten:

41 **"§ 143-151.56. Suspension, revocation, and refusal to renew license.**

1 (a) The Board may deny or refuse to issue or renew a license, may suspend or
2 revoke a license, or may impose probationary conditions on a license if the license holder
3 or applicant for licensure has engaged in any of the following conduct:

- 4 (1) Employed fraud, deceit, or misrepresentation in obtaining or attempting
5 to obtain or renew a license.
6 (2) Committed an act of malpractice, gross negligence, or incompetence in
7 the practice of home inspections.
8 (3) Without having a current license, either performed home inspections for
9 compensation or claimed to be licensed.
10 (4) Engaged in conduct that could result in harm or injury to the public.
11 (5) Been convicted of or pled guilty or nolo contendere to any ~~crime~~
12 misdemeanor involving moral turpitude or to any felony.
13 (6) Been adjudicated ~~insane or incompetent and has not presented proof of~~
14 recovery from the condition ~~incompetent~~.
15 (7) Engaged in any act or practice that violates any of the provisions of this
16 Article or any rule issued by the Board, or aided, abetted, or assisted any
17 person in a ~~violation~~ violation of any of the provisions of this Article.

18 (b) A denial of licensure, refusal to renew, suspension, revocation, or imposition
19 of probationary conditions upon a license holder may be ordered by the Board after a
20 hearing held in accordance with Article 3A of Chapter 150B of the General Statutes and
21 rules adopted by the Board. An application may be made to the Board for reinstatement
22 of a revoked license if the revocation has been in effect for at least one year."
23

24 MANUFACTURED HOME DEALERS

25 Section 37. Article 9A of Chapter 143 of the General Statutes is amended by
26 adding a new section to read:

27 "§ 143-143.21B. Dealer cancellation; deposit refund.

28 A dealer shall refund to a buyer the full amount of a deposit on the purchase of a
29 manufactured home if the buyer has fulfilled his obligations under the purchase
30 agreement and the dealer cancels the purchase at any time."
31

32 EFFECT OF HEADINGS

33 Section 38. The headings to the parts of this act are a convenience to the
34 reader and are for reference only. The headings do not expand, limit, or define the text of
35 this act.
36

37 EFFECTIVE DATES

38 Section 39. This section and Sections 1, 2, 3, 4, 5, 6, 7, 10, 11, 14, 15, 17, 18,
39 22, 27, 29, 32, 33, and 34 of this act are effective when they become law; provided that
40 the disclosure requirement in G.S. 58-3-5, as enacted in Section 1 of this act, applies only
41 to annuity agreements issued on or after October 1, 1998. Section 19 of this act becomes
42 effective September 1, 1998. Sections 9, 12, 13, 20, 21, 23, 24, 25, 28, 30, 31, 35, 36,

1 and 37 of this act become effective October 1, 1998. Sections 8, 16, and 26 of this act
2 become effective January 1, 1999.