

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

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SENATE BILL 965

Short Title: Insurance Department Fees.

(Public)

Sponsors: Senator Miller.

Referred to: Finance.

April 17, 1997

A BILL TO BE ENTITLED

1 AN ACT TO REPEAL POLICY FORM FILING FEES AND HEALTH
2 MAINTENANCE ORGANIZATION ANNUAL REPORT FEES AND TO
3 INCREASE CERTAIN RENEWAL FEES COLLECTED BY THE DEPARTMENT
4 OF INSURANCE.
5

6 The General Assembly of North Carolina enacts:

7 Section 1. G.S. 58-6-5 reads as rewritten:

8 "**§ 58-6-5. Schedule of fees and charges.**

9 (a) The Commissioner shall collect and pay into the ~~State treasury~~ General Fund
10 fees and charges as follows:

11 (1) For filing and examining an insurance company application for
12 ~~admission licensing or for filing and examining a workers' compensation~~
13 ~~self-insurer's application for licensing, a nonrefundable~~ fee of two
14 hundred fifty dollars (\$250.00), to be submitted with ~~such filing; for filing~~
15 ~~and auditing annual statement, one hundred dollars (\$100.00); for filing any~~
16 ~~other papers required by law, twenty five dollars (\$25.00); for each certificate~~
17 ~~of examination, condition, or qualification of company or association, fifteen~~
18 ~~dollars (\$15.00); for each seal when required, ten dollars (\$10.00); for a list of~~
19 ~~licensed insurance companies, ten dollars (\$10.00).~~ the filing.

20 (2) Repealed by Session Laws 1977, c. 376, s. 2.

- 1 (3) ~~The Commissioner shall receive for~~ A copy of any record or paper in his
2 office ~~the Commissioner's office, a charge of fifty cents (50¢) per copy~~
3 ~~sheet and ten dollars (\$10.00) for certifying same, or any fact or data~~
4 ~~from the records of his office and for the examination and approval of~~
5 ~~charters of companies, twenty-five dollars (\$25.00) sheet.~~
- 6 (4) ~~He shall collect all~~ All other fees and charges due and payable into the
7 State treasury ~~General Fund~~ by any company, association, order, or
8 individual under his Department ~~this Chapter.~~
- 9 (5) ~~The Commissioner shall charge and insurers shall pay, as a prerequisite~~
10 ~~to receipt and review by the Commissioner of filings of policy forms or~~
11 ~~rates, a fee of twenty dollars (\$20.00) per policy form filed and~~
12 ~~submitted for approval; a fee of twenty dollars (\$20.00) for each~~
13 ~~property or casualty rate filing submitted; and a fee of twenty dollars~~
14 ~~(\$20.00) for each life, accident, or health rate filing submitted. Payment~~
15 ~~of the fee shall be made at the time the form or rate filing is submitted.~~
16 ~~All fees are nonrefundable. If an insurer fails to pay the proper fee at the~~
17 ~~time of submittal, the Commissioner shall not be required to review the~~
18 ~~form or rate filed until the insurer remits the proper fee; and any~~
19 ~~statutory time periods relating to the filing shall be tolled until the~~
20 ~~insurer remits the proper fee. As used in this subdivision, "insurer"~~
21 ~~includes an entity subject to Articles 65 through 67 of this Chapter; any~~
22 ~~rating organization, advisory organization, joint underwriting~~
23 ~~association, or joint reinsurance organization subject to Articles 1~~
24 ~~through 64 of this Chapter; and the North Carolina Rate Bureau and the~~
25 ~~North Carolina Motor Vehicle Reinsurance Facility. As used in this~~
26 ~~subdivision, "policy form" includes an application form, a declarations~~
27 ~~page, a policy jacket, a policy or contract of insurance, or an~~
28 ~~endorsement, rider, or any amendment to a policy form that has already~~
29 ~~been approved by the Commissioner; provided that an initial policy~~
30 ~~filing made by an insurer shall constitute one policy form.~~
- 31 (6) One hundred dollars (\$100.00) per day late charge for any company that
32 fails to file the financial statements required by G.S. 58-2-165 by the
33 required filing date or that fails to make those filings within any
34 extended filing period approved by the Commissioner.
- 35 (7) One hundred dollars (\$100.00) for filing and examining an application
36 for a third-party administrator license issuance or renewal under G.S.
37 58-47-215, to be submitted with the filing.
- 38 (b) All fees and charges collected by the Commissioner under this Chapter are
39 nonrefundable."

40 Section 2. G.S. 58-6-7 reads as rewritten:

41 **"§ 58-6-7. Annual license fees for insurance companies.**

42 (a) ~~As a condition precedent to doing~~ In order to do business in this State, an
43 insurance company ~~must~~ shall apply for and obtain a license from the Commissioner of

1 ~~Insurance~~ by March 1 of each year. The license shall become effective the following July
 2 1 and shall remain in effect for one year. Except as provided in ~~subsections (b) and (e)~~
 3 subsection (b) of this section, the insurance company shall pay an annual fee for the
 4 license as follows:

- 5 For each domestic farmer's mutual assessment fire
 6 insurance company \$ 25.00
- 7 For each fraternal order 100.00
- 8 For each of all other insurance companies, except
 9 mutual burial associations taxed under G.S.
 10 105-121.1 ~~500.00~~ 1,500.00

11 The fees levied in this subsection ~~shall be~~ are in addition to those specified in G.S. 58-
 12 6-5.

13 (b) When the paid-in capital stock ~~and/or surplus or surplus,~~ or surplus, or both, of an
 14 insurance ~~company~~ company, other than a farmer's mutual assessment company or a
 15 fraternal ~~order~~ order, does not exceed one hundred thousand dollars (\$100,000), the fee
 16 levied in this section shall be ~~one-half~~ one-half of the amount ~~above~~ specified.

17 (e) ~~Upon payment of the fee specified above and the fees and taxes elsewhere~~
 18 ~~specified each insurance company, exchange, bureau, or agency, shall be entitled to do~~
 19 ~~the types of business specified in Chapter 58, of the General Statutes of North Carolina as~~
 20 ~~amended, to the extent authorized therein, except that: Insurance companies authorized to~~
 21 ~~do either the types of business specified for (i) life insurance companies, or (ii) for fire~~
 22 ~~and marine companies, or (iii) for casualty and fidelity and surety companies, in G.S. 58-~~
 23 ~~7-75, which shall also do the types of business authorized in one or both of the other of~~
 24 ~~the above classifications shall in addition to the fees above specified pay one hundred~~
 25 ~~dollars (\$100.00) for each such additional classification of business done.~~

26 (d) Any rating bureau established by action of the General Assembly of North
 27 Carolina shall be exempt from the fees above levied."

28 Section 3. G.S. 58-22-70 reads as rewritten:

29 **"§ 58-22-70. Registration and renewal fees.**

30 Every risk retention group and purchasing group that registers with the Commissioner
 31 under this Article shall pay the following fees:

- 32 Risk retention group registration \$250.00
- 33 Purchasing group registration 50.00
- 34 Risk retention group renewal ~~500.00~~ 1,500.00
- 35 Purchasing group renewal 50.00

36 Registration fees ~~are nonrefundable,~~ shall not be ~~prorated,~~ prorated and must be
 37 submitted with the application for registration. Renewal fees ~~are nonrefundable,~~ shall not
 38 be ~~prorated,~~ prorated and shall be paid on or before January 1 of each year."

39 Section 4. G.S. 58-27-10 reads as rewritten:

40 **"§ 58-27-10. Licenses.**

41 Any domestic land mortgage company, or title insurance company, wishing to do
 42 business under the provisions of this Article upon making written application and
 43 submitting proof satisfactory to the Commissioner that its business, capital and other

1 qualifications comply with the provisions of this Article, upon paying to the
2 Commissioner, the sum of five hundred dollars (\$500.00) as a license fee and all other
3 fees assessed against such company may be licensed to do business in this State under the
4 provisions of this Article until the first day of the following July, and may have its license
5 renewed for each year thereafter so long as it complies with the provisions of this Article
6 and such rules adopted by the Commissioner. For each such renewal such company shall
7 pay to the Commissioner the sum of ~~five hundred dollars (\$500.00)~~, one thousand five
8 hundred dollars (\$1,500) and all other fees assessed against such company and such
9 renewal shall continue in force and effect until a new license be issued or specifically
10 refused, unless revoked for good cause. The Commissioner, or any person appointed by
11 him, shall have the power and authority to make such rules and regulations and
12 examinations not inconsistent with the provisions of this Article, as may be in his
13 discretion necessary or proper to enforce the provisions hereof and secure compliance
14 with the terms of this Article. For any examination made hereunder the Commissioner
15 shall charge the land mortgage companies or title insurance companies examined with the
16 actual expense of such examination."

17 Section 5. G.S. 58-65-55 reads as rewritten:

18 **"§ 58-65-55. Issuance of certificate.**

19 Before issuing any such license or certificate the Commissioner may make such an
20 examination or investigation as he deems expedient. The Commissioner shall issue a
21 certificate of authority or license upon the payment of an annual fee of ~~five hundred dollars~~
22 ~~(\$500.00)~~ one thousand five hundred dollars (\$1,500) and upon being satisfied on the
23 following points:

- 24 (1) The applicant is established as a bona fide nonprofit hospital service
25 corporation as defined by this Article and Article 66 of this Chapter.
- 26 (2) The rates charged and benefits to be provided are fair and reasonable.
- 27 (3) The amounts provided as working capital of the corporation are
28 repayable only out of earned income in excess of amounts paid and
29 payable for operating expenses and hospital and medical and/or dental
30 expenses and such reserve as the Department deems adequate, as
31 provided hereinafter.
- 32 (4) That the amount of money actually available for working capital be
33 sufficient to carry all acquisition costs and operating expenses for a
34 reasonable period of time from the date of the issuance of the
35 certificate."

36 Section 6. G.S. 58-64-30(b) reads as rewritten:

37 "(b) The annual disclosure statement required to be filed with the Commissioner
38 under this section shall be accompanied by an annual filing fee of ~~one hundred dollars~~
39 ~~(\$100.00)~~ one hundred seventy-five dollars (\$175.00)."

40 Section 7. G.S. 58-67-160 reads as rewritten:

41 **"§ 58-67-160. Fees.**

42 Every health maintenance organization subject to this Article shall pay to the
43 Commissioner ~~the following fees:~~ a fee of two hundred fifty dollars (\$250.00) for filing an

1 application for a license and a fee of one thousand five hundred dollars (\$1,500) for each
2 license renewal.

3 (1) ~~For filing an application for a certificate of authority, two hundred fifty~~
4 ~~dollars (\$250.00); for each renewal thereof, five hundred dollars~~
5 ~~(\$500.00);~~

6 (2) ~~For filing each annual report, one hundred dollars (\$100.00)."~~

7 Section 8. This act becomes effective July 1, 1997, and applies to fees or
8 charges due on or after that date.