

GENERAL ASSEMBLY OF NORTH CAROLINA
1997 SESSION

S.L. 1997-179
HOUSE BILL 1024

AN ACT TO ALLOW FOR THE LICENSING OF CERTAIN SUBSIDIARIES OF
INSURERS OWNED OR CONTROLLED BY FOREIGN GOVERNMENTS.

The General Assembly of North Carolina enacts:

Section 1. G.S. 58-16-20 reads as rewritten:

"§ 58-16-20. **Company owned or controlled by alien foreign government prohibited from doing business.**

(a) Any insurance company or other insurance entity ~~which~~ that is ~~financially~~ owned or ~~financially~~ controlled by any ~~alien~~ or foreign government outside the continental limits of the United States or the territories of the United States is ~~hereby~~ prohibited from doing any kind of insurance business in the State of North Carolina. For the purposes of this section, ~~the term 'alien or foreign'~~ 'foreign government' is ~~defined to mean~~ means any foreign government or any state, province, municipality, or political subdivision of any foreign government, and shall not be construed to apply to any insurance company organized under the laws of a foreign nation ~~which~~ that is ~~financially~~ owned or ~~financially~~ controlled by the private citizens or private business interest of ~~such~~ that foreign nation.

(b) The Commissioner ~~is hereby forbidden to grant a~~ shall not license to any insurance company or other insurance entity ~~which~~ that is ~~financially~~ owned or ~~financially~~ controlled by any ~~alien~~ or foreign government outside the continental limits of the United States or the territories of the United States, ~~or to~~ nor shall the Commissioner authorize any such company or entity to transact any kind of insurance business in the State of North Carolina.

(c) Any insurance company or other insurance entity ~~which~~ that is ~~financially~~ owned or ~~financially~~ controlled by any ~~alien~~ or foreign government outside the continental limits of the United States or the territories of the United States, or any representative or agent of any such company or entity ~~which~~ that violates the provisions of this section, ~~shall be~~ is guilty of a Class 3 misdemeanor.

(d) This section does not apply to the operating subsidiary of any insurance company or other insurance entity, where the company or entity is owned or controlled by any foreign government outside the continental limits of the United States or the territories of the United States, as long as the operating subsidiary is domesticated in and licensed by another state of the United States as an insurer or reinsurer and as a separate subsidiary."

Section 2. This act becomes effective October 1, 1997, and applies to acts committed and applications for licensure submitted on or after that date.

In the General Assembly read three times and ratified this the 2nd day of June, 1997.

s/ Dennis A. Wicker
President of the Senate

s/ Harold J. Brubaker
Speaker of the House of Representatives

s/ James B. Hunt, Jr.
Governor

Approved 3:39 p.m. this 12th day of June, 1997