SENATE BILL 237:
Reinsurance Facility Board of Gov. Appointees.

2021-2022 General Assembly

Committee:	Senate Commerce and Insurance. If favorable, re-refer to Rules and Operations of the Senate	**Date:**	April 27, 2021
Introduced by:	Sen. Johnson	**Prepared by:**	Jeremy Ray
Analysis of:	First Edition		Staff Attorney

OVERVIEW: Senate Bill 237 would require that one member of the Board of Governors (Board) for the North Carolina Motor Vehicle Reinsurance Facility (Facility) be appointed by the Commissioner of Insurance (Commissioner) from two nominees selected by the Alliance of Insurance Agents of North Carolina.

CURRENT LAW: The Facility is a nonincorporated legal entity consisting of all insurers licensed to write and engaged in writing motor vehicle insurance or any of its components within the State. The purpose of the Facility is to provide a mechanism for the pooling of certain insurance risks to enable the purchase of auto liability insurance by those who cannot obtain coverage by ordinary methods. The Facility is administered by the Board consisting of twelve Board members having one vote a piece. Five Board members are selected by member insurers and seven Board members are appointed by the Commissioner. Each Board member selected by member insurers or appointed by the Commissioner must possess specific industry background qualifications set forth under G.S. 58-37-35.

BILL ANALYSIS: Senate Bill 237 would require the Commissioner to appoint one Board member to the Board from two nominees selected by the Alliance of Insurance Agents of North Carolina. This would be accommodated by adjusting Board member appointments made by the Commissioner that are required under existing law to be fire and casualty agents licensed in this State, from five Board members to four. Total appointments made by the Commissioner would remain unchanged at seven Board members.

EFFECTIVE DATE: This bill would become effective when it becomes law, and would apply to all appointments made on or after that date.

Jeffrey Hudson
Director

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Legislative Analysis
Division
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