

§ 58-22-40. Notice and registration requirements of purchasing groups.

(a) A purchasing group that intends to do business in this State shall, before doing business, furnish notice to the Commissioner that shall:

- (1) Identify the state in which the group is domiciled;
- (2) Specify the lines and classifications of liability insurance that the purchasing group intends to purchase;
- (3) Identify the insurer from which the group intends to purchase its insurance and the domicile of such insurer;
- (4) Identify the principal place of business of the group;
- (5) Provide such other information as may be required by the Commissioner to verify that the purchasing group is qualified under G.S. 58-22-10(9);
- (6) Specify the method by which and the person or persons, if any, through whom insurance will be offered to its members whose risks are resident or located in this State; and furnish such information as may be required by the Commissioner to determine the appropriate premium tax treatment; and
- (7) Identify all other states in which the group intends to do business.

(b) The purchasing group shall register with and designate the Commissioner as its agent solely for the purpose of receiving service of legal documents or process, except that such requirement does not apply in the case of a purchasing group:

- (1) That
 - a. Was domiciled before April 2, 1986, in any state of the United States; and
 - b. Is domiciled on and after October 27, 1986, in any state of the United States;
- (2) That before October 27, 1986, purchased insurance from an insurer licensed in any state; and since October 27, 1986, purchased its insurance from an insurer licensed in any state;
- (3) That was a purchasing group under the requirements of the Product Liability Retention Act of 1981 before October 27, 1986; and
- (4) That does not purchase insurance that was not authorized for purposes of an exemption under that act, as in effect before October 27, 1986.

(c) A purchasing group shall notify the Commissioner of any changes in any of the items in subsection (a) of this section within 10 days after those changes.

(d) Each purchasing group that is required to give notice under subsection (a) of this section shall also furnish such information as may be required by the Commissioner to:

- (1) Verify that the entity qualifies as a purchasing group;
- (2) Determine where the purchasing group is located; and
- (3) Determine appropriate tax treatment. (1987, c. 310, c. 727, s. 10; 1993, c. 452, s. 38.)