

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2009

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SENATE DRS55256-MG-62 (3/10)

Short Title: Struc. Settlement Annuities/Ins. Guar. Assn.

(Public)

Sponsors: Senator Berger of Franklin.

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO EXPAND COVERAGE UNDER THE INSURANCE GUARANTY
3 ASSOCIATION WITH RESPECT TO STRUCTURED SETTLEMENT ANNUITIES
4 FOR MATTERS INVOLVING PERSONAL INJURY OR ILLNESS.

5 The General Assembly of North Carolina enacts:

6 **SECTION 1.** G.S. 58-62-16 is amended by adding a new subdivision to read:

7 "(17a) 'Structured settlement annuities' means any annuity benefits payable to a
8 person by an insurer under an annuity contract issued to fund, in whole or in
9 part, a settlement agreement for a matter involving personal injury or illness,
10 including any settlement agreement permitted under Chapter 97 of the
11 General Statutes."

12 **SECTION 2.** G.S. 58-62-21(a) reads as rewritten:

13 **"§ 58-62-21. Coverage and limitations.**

14 (a) This Article provides coverage for the policies and contracts specified in subsection
15 (b) of this section:

16 (1) To persons other than persons specified in subdivisions (3) and (4) of this
17 subsection who, regardless of where they reside (except for nonresident
18 certificate holders under group policies), are the beneficiaries, assignees, or
19 payees of the persons covered under subdivision (2) of this ~~subsection,~~
20 and subsection;

21 (2) To persons other than persons specified in subdivisions (3) and (4) of this
22 subsection who are owners or certificate holders under the policies, or in the
23 case of unallocated annuity contracts to the persons who are the contract
24 holders, and who are residents of this State, or who are not residents of this
25 State, but only under all of the following conditions: (i) the insurers that
26 issued the policies are domiciled in this State; (ii) the insurers never held a
27 license in the states in which the persons reside; (iii) the states have
28 associations similar to the association created by this Article; and (iv) the
29 persons are not eligible for coverage by the ~~associations.~~ associations;

30 (3) To persons who are payees (or beneficiaries of payees if the payees are
31 deceased) under structured settlement annuities if the payees are residents of
32 this State, regardless of where the contract owners of the structured
33 settlement annuities reside; and



1 (4) To persons who are payees (or beneficiaries of payees if the payees are
2 deceased) under structured settlement annuities if the payees are not
3 residents of this State, but only under both of the following conditions:

4 a. The contract owners of the structured settlement annuities are
5 residents of this State or, if not residents of this state, (i) the insurers
6 that issued the structured settlement annuities are domiciled in this
7 State and (ii) the state in which the contract owners reside has an
8 association similar to the Association created by this Article.

9 b. Neither the payees (or beneficiaries of payees if the payees are
10 deceased) nor the contract owners of the structured settlement
11 annuities are eligible for coverage by an association of the state in
12 which the payees or contract owners reside."

13 **SECTION 3.** This act is effective when it becomes law and applies to claims
14 submitted to the Insurance Guaranty Association on or after that date.