

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2011

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HOUSE BILL 501
Committee Substitute Favorable 5/18/11

Short Title: Credit Union Ownership of Ins. Co.

(Public)

Sponsors:

Referred to:

March 30, 2011

1 A BILL TO BE ENTITLED
2 AN ACT TO PROVIDE FOR THE OWNERSHIP OF INSURANCE COMPANIES BY
3 CREDIT UNIONS.

4 The General Assembly of North Carolina enacts:

5 **SECTION 1.** G.S. 54-109.21(22) reads as rewritten:

6 "(22) Purchase or make available insurance for its directors, officers, agents,
7 employees, and members; insurance may be provided through any insurance
8 company or through any subsidiary insurance company owned by the credit
9 union; and".

10 **SECTION 2.** G.S. 54-109.75 is amended by adding a new subsection to read:

11 "(c) Insurance may be provided through any insurance company or through any
12 subsidiary insurance company owned by the credit union."

13 **SECTION 3.** G.S. 54-109.82 reads as rewritten:

14 "**§ 54-109.82. Investment of funds.**

15 The capital, deposits, undivided profits and reserve fund of the corporation may be invested
16 only in any of the following ways:

17 ...

18 (2) In capital shares, obligations, or preferred stock issues of any ~~agency~~agency,
19 company, or association organized either as a stock company, mutual
20 association, or membership corporation, provided the membership or
21 stockholdings, as the case may be, of the ~~agency~~agency, company, or
22 association are confined or restricted to credit unions or organizations of
23 credit unions, or provided the purpose for which the ~~agency~~agency,
24 company, or association is organized or designed is to service or otherwise
25 assist credit union operations.

26 ...

27 (7) In an aggregate amount not to exceed twenty-five percent (25%) of the
28 allocations to the reserve fund in any ~~agency~~agency, company, or
29 association of the type described in subdivision (2) of this section provided
30 the purposes of the ~~agency~~agency, company, or association are designed to
31 assist in establishing and maintaining liquidity, solvency, and security in
32 credit union operations.

33"

34 **SECTION 4.** G.S. 58-7-162(1) reads as rewritten:

35 "(1) Cash in the possession of the insurer, or in transit under its control, and
36 including the true balance of any deposit in a solvent United States bank,
37 savings and loan association, credit union, or trust company, and the balance



1 of any such deposit in an insolvent United States bank, savings and loan
2 association, credit union, or trust company, to the extent insured by a federal
3 agency."

4 **SECTION 5.** G.S. 58-7-172 reads as rewritten:

5 **"§ 58-7-172. Cash and deposits.**

6 An insurer may have funds in coin or currency of the United States on hand or on deposit in
7 any solvent national or state bank, savings and loan association, credit union, or trust
8 company."

9 **SECTION 6.** G.S. 58-7-173(14) reads as rewritten:

10 "(14) Share or savings accounts of credit unions, savings and loan associations or
11 building and loan associations."

12 **SECTION 7.** This act becomes effective October 1, 2011.