

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2011

HOUSE BILL 501
RATIFIED BILL

AN ACT TO PROVIDE FOR THE OWNERSHIP OF INSURANCE COMPANIES BY
CREDIT UNIONS.

The General Assembly of North Carolina enacts:

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

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

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

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

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

"§ 54-109.82. Investment of funds.

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

...

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

...

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

...."

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

"(1) Cash in the possession of the insurer, or in transit under its control, and including the true balance of any deposit in a solvent United States bank, savings and loan association, credit union, or trust company, and the balance of any such deposit in an insolvent United States bank, savings and loan association, credit union, or trust company, to the extent insured by a federal agency."

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

"§ 58-7-172. Cash and deposits.

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

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

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



SECTION 7. This act becomes effective October 1, 2011.
In the General Assembly read three times and ratified this the 15th day of June,

2011.

Walter H. Dalton
President of the Senate

Thom Tillis
Speaker of the House of Representatives

Beverly E. Perdue
Governor

Approved _____m. this _____ day of _____, 2011