11 NCAC 14 .0508 is proposed for adoption as follows:

11 NCAC 14 .0508 WAIVERS OF THREE YEAR PROFITABLE OPERATIONS REQUIREMENT

(a) If a foreign insurance company meets all other requirements for admission under G.S. 58-16-5, the Commissioner may waive the requirement for three consecutive years of profitable operations after considering mitigating factors, including, but not limited to, the following:

(1) The foreign insurance company's surplus strength in relation to the business plan and financial forecast as provided with the application for admission;

(2) The financial strength of a parent or affiliate insurer licensed in North Carolina, including the parent or affiliate insurer's North Carolina license duration, profitable operations, volume of consumer complaints, and market conduct examination findings;

(3) The financial strength of the insurance holding company system, as defined in G.S. 58-19-5; and

(4) A demonstrated market need for the lines of business to be offered in North Carolina.

(b) A foreign insurance company seeking a waiver as described in Paragraph (a) of this Rule shall provide additional information as part of its application for admission, including:

(1) An audited financial statement for the most recent fiscal year end for the ultimate controlling person, as defined in G.S. 58-19-5, and any other affiliated entities that will have an obligation to ensure continued financial support of the foreign insurance company;

(2) A copy of any guaranty agreements or capital maintenance agreements that exist between the foreign insurance company and the ultimate controlling person and/or other affiliated entities;

(3) A narrative detailing the North Carolina market need for the lines of business to be written by the foreign insurance company, including any documentation to support the assertions made in the narrative; and

(4) Any other information necessary to demonstrate a favorable financial condition for the Commissioner to approve a waiver.

History Note: Authority S.L 2026-48, s.66.(c); G.S. 58-2-40; 58-16-5;
Eff. March 1, 2027.