

11 NCAC 11C .0604 COMPLIANCE: LETTER OF CREDIT

(a) When G.S. 58-7-162(6) applies under 11 NCAC 11C .0602, the premiums collected by the person or the person and its affiliates and not remitted to the insurer may be secured by an unexpired, clean, irrevocable letter of credit, payable to the insurer, so that those premiums will qualify as allowable or admitted assets.

(b) The amount of the letter of credit shall at all times equal or exceed 125 percent of the liability of the person or the person and its affiliates to the insurer for the premiums collected.

(c) The letter of credit must be issued within 30 days after the end of the month in which the insurer becomes subject to G.S. 58-7-162(6) under 11 NCAC 11C .0602. A certified copy of the executed letter of credit shall be provided to the Commissioner.

(d) The letter of credit shall be issued by a banking institution whose financial condition has been determined by either the Commissioner or the Securities Valuation Office of the NAIC to be acceptable to issue such a letter of credit.

History Note: Authority G.S. 58-2-40; 58-7-162;

Eff. April 1, 1993;

Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. December 20, 2015.