

Note from the Codifier: The OAH website includes notices and the text of proposed temporary rules as required by G.S. 150B-21.1(a1). Prior to the agency adopting the temporary rule, the agency must hold a public hearing no less than five days after the rule and notice have been published and must accept comments for at least 15 business days.
For questions, you may contact the Office of Administrative Hearings at 984-236-1850 or email oah.postmaster@oah.nc.gov.

TITLE 11 – DEPARTMENT OF INSURANCE

Notice is hereby given in accordance with G.S. 150B-21.1(a3) that the Department of Insurance intends to adopt the rules cited as 11 NCAC 14 .0507, and .0508.

Codifier of Rules received for publication the following notice and proposed temporary rule(s) on: September 14, 2026.

Public Hearing:

Date: October 13, 2026

Time: 10:00 a.m.

Location: 3200 Beechleaf Ct. Raleigh, NC 27604

Reason for Proposed Temporary Action: The effective date of a recent act of the General Assembly or of the U.S. Congress, cite: S.L. 2026-48, Part III, Section 66, effective date: July 7, 2026. Session Law 2026-48, Part III, Section 66, recently amended G.S. 58-16-5, revising the conditions under which a foreign or alien insurance company may become licensed to do business in North Carolina. G.S. 58-16-5(2)(a) now mandates that foreign insurers must satisfy the Commissioner that it has been successful in the conduct of business. Section 66(c) further directs the Department to adopt rules for implementation of the section, no later than January 1, 2027. Temporary rule adoption is necessary to timely establish consistent standards by which prospective applicants may demonstrate "successful conduct of business" for licensing purposes. Such action is also necessary to provide the Department with a uniform framework for evaluating foreign insurers' operating history and financial condition as a measure of consumer protection, before granting a license to transact insurance business in this state.

Comment Procedures: Comments from the public shall be directed to: Alisha Benjamin, 1201 Mail Service Center, Raleigh, NC 27699-1201; email NCDOI.Rulemaking@ncdoi.gov. The comment period begins September 21, 2026 and ends October 16, 2026.

CHAPTER 14 - ADMISSION REQUIREMENTS

SECTION .0500 - ADMISSION OF A FOREIGN OR ALIEN INSURANCE COMPANY

11 NCAC 14 .0507 FOREIGN COMPANY MUST HAVE CONDUCTED SUCCESSFUL BUSINESS

(a) In order to be eligible to do business in North Carolina pursuant to G.S. 58-16-5(2)(a), foreign insurance companies shall have profitable operations writing the same or similar lines of business as being requested in North Carolina for three consecutive years immediately preceding the date of application for admission and must continue to reflect profitable operations throughout the admission process.

(b) For purposes of this section, the term "profitable operations" as reflected in the statement of financial condition filed with the Commissioner pursuant to G.S. 58-16-5(1) generally corresponds to "net underwriting gain" as reported on the National Association of Insurance Commissioners (NAIC) Health and Property/Casualty Annual Statement Blank, "net operating gain" as reported on the NAIC Title Annual Statement Blank, and "net gain from operations before dividends to policyholders, refunds to members and federal income taxes" as reported on the NAIC Life Annual Statement Blank.

History Note: Authority S.L. 2026-48, s.66.(c); G.S. 58-2-40; 58-16-5(2);
Temporary Adoption Eff. November 25, 2026.

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;
Temporary Adoption Eff. November 25, 2026.