



### Binding Procedures ACIC BA/GA New Business

#### § 58-2-164. Rate evasion fraud; prevention programs.

##### Proofs of Residency

We have highlighted portions of this statute for ease of reference. The proofs of residency are not only specifically *listed*, but they are very specifically *described*, and we call your attention to the text.

#### § 58-37-1. Definition. Article 37. North Carolina Motor Vehicle Reinsurance Facility (NCRF).

##### Eligibility to be written in the NCRF

Again, we have highlighted portions of this statute for ease of reference. This section establishes requirements for eligibility for an insurance company to place the liability in the NCRF. This eligibility **MUST BE PRESENT AT THE TIME OF BINDING**. This NCGS brings in valid NCDLs for insureds/owner and active NC registrations for autos that show the insured/owner and their NC address. Based on this statute, we will be requiring NCDLs and valid NC registrations even if other proofs of Residency (58-2-164) are provided.

##### New procedure

- Prior to binding, the retail agent calls SiB and will email the required docs to the SiB Underwriter with whom you are speaking
- Two of the five specified docs that establish “NC Residency” will be required prior to binding
- One of the **two** stated proofs required above must be either:
  - valid NCDL for owner or;
  - at least one active registration for an insured power unit in the name of the insured or the owner of the insured (Corp, LLC, etc.)
- SiB Uwer reviews docs for approval and binds if approved
- SiB requires the *minimum* of 2 to bind, but will require valid NC registrations for all power units insured within 10 days of binding. We also reserve the right to **require more underwriting information** after review of the risk/application and during the term due to endorsements requested on the policy or further information coming to light from other sources (audits from Aci/NCRF, claims, inspections SiB, etc)
- We will require valid NC registrations **to add power units via endorsement** after the policy is in force.

##### What we will request as two proofs for binding:

- Active NCDL for an owner (if an LLC or Inc also need NCRF47 for licensee)
- Active registration for *at least* one power unit (in name of insured or if in name of owner, they would be added as AI Lessor)

##### Insured as individual or entity

- Named insured is a sole proprietor (including named insured then d/b/a...), the residency & eligibility docs must be for the named insured. Per 58-2-164 (c2), the addresses on the policy and the docs should match.
- Named insured is LLC or Inc or partnership, residency & eligibility docs must be in either the name of the insured (LLC or Inc) or the NCDL can be owner w/ NCRF47 and if sole owner as defined in 58-2-164 (c2), then docs (1)-(5) can be for individual or a husband & wife (if docs for both husband & wife are used, NCRF47 for both certifying they are “sole owner”)

##### “What ifs” at binding:

- New venture doesn’t have current regis. NCDL of owner required (w/ NCRF47 if entity) and 1 of the other 3 Residency required.
- Owner doesn’t have active NCDL. NC registration of one power unit required and 1 of the other 3 Residency required. If sole owner as defined in 58-2-164 (c2), can be the husband and wife. NCRF47 required for both husband & wife certifying marriage if using docs in both names.
- Insured/owner lives with parent or domestic partner so no utility bill. 2 of other 4 required and can’t be in the name of parent &/or domestic partner. (See “sole owner” husband & wife info if married)
- All power units leased. ACIC won’t issue Motor Carrier filings.
- Just moved here and can’t supply what’s required. Will not bind.
- The Residency & Eligibility requirements are not “our list”, so we can’t bargain or substitute.