

§ 58-7-115. Increase of capital stock.

Any company organized under the provisions of Articles 1 through 64 of this Chapter may issue pro rata to its stockholders certificates of any portion of its surplus which shall be considered an increase of its capital to the amount of such certificates. As used in this section, "surplus" means earned surplus; provided, however, issuance of certificates out of paid-in and contributed surplus will be permitted on a case-by-case basis, with the prior approval of the Commissioner. The issuance of those certificates shall not lower the total surplus of the insurer to an amount less than that required to be maintained by G.S. 58-7-75. The company may, at a meeting called for the purpose, vote to increase the amount and number of shares of its capital stock, and to issue certificates therefor when paid for in full. In whichever method the increase is made, the company shall, within 30 days after the issue of such certificates, submit to the Commissioner a certificate setting forth the amount of the increase and the facts of the transaction, signed and sworn to by its president and secretary and a majority of its directors. If the Commissioner finds that the facts conform to the law, he shall endorse his approval thereof; and upon filing such certificate so endorsed with the Secretary of State, and the payment of a fee of five dollars (\$5.00) for filing the same, the company may transact business upon the capital as increased, and the Commissioner shall issue his certificate to that effect. (1899, c. 54, s. 29; Rev., s. 4734; C.S., s. 6337; 1945, c. 386; 1991, c. 720, s. 4; 1993, c. 452, s. 6.)