

1 **Chapter 58.**

2 **Insurance.**

3 **Article 1.**

4 **Title and Definitions.**

5 **§ 58-1-1. Title of the Chapter.**

6 Articles 1 through 64 of this Chapter may be cited and shall be known as the Insurance
7 Law. (1899, c. 54; Rev., s. 4677; C.S., s. 6260.)

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10 **§ 58-1-5. Definitions.**

11 In this Chapter, unless the context clearly requires otherwise:

- 12 (1) "Alien company" means a company incorporated or organized under the
13 laws of any jurisdiction outside of the United States.
- 14 (1a) "Commercial aircraft" means aircraft used in domestic, flag, supplemental,
15 commuter, or on-demand operations, as defined in Federal Aviation
16 Administration Regulations, 14 C.F.R. § 119.3, as amended.
- 17 (2) "Commissioner" means the Commissioner of Insurance of North Carolina or
18 an authorized designee of the Commissioner.
- 19 (3) "Company" or "insurance company" or "insurer" includes any corporation,
20 association, partnership, society, order, individual or aggregation of
21 individuals engaging or proposing or attempting to engage as principals in
22 any kind of insurance business, including the exchanging of reciprocal or
23 interinsurance contracts between individuals, partnerships and corporations.
24 "Company" or "insurance company" or "insurer" does not mean the State of
25 North Carolina or any county, city, or other political subdivision of the State
26 of North Carolina.
- 27 (4) "Department" means the Department of Insurance of North Carolina.
- 28 (5) "Domestic company" means a company incorporated or organized under the
29 laws of this State.
- 30 (6) "Foreign company" means a company incorporated or organized under the
31 laws of the United States or of any jurisdiction within the United States other
32 than this State.
- 33 (7) "NAIC" means the National Association of Insurance Commissioners.
- 34 (8) Repealed by Session Laws 1999-219, s. 5.5.
- 35 (9) "Person" means an individual, partnership, firm, association, corporation,
36 joint-stock company, trust, any similar entity, or any combination of the
37 foregoing acting in concert.
- 38 (10) The singular form includes the plural, and the masculine form includes the
39 feminine wherever appropriate. (1899, c. 54, s. 1; Rev., s. 4678; C.S., s.
40 6261; 1945, c. 383; 1971, c. 510, s. 1; 1987, c. 864, s. 34; 1995, c. 193, s. 1;
41 1999-219, s. 5.5; 2001-334, s. 18.2.)

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43 **§ 58-1-10. Contract of insurance.**

44 A contract of insurance is an agreement by which the insurer is bound to pay money or its
45 equivalent or to do some act of value to the insured upon, and as an indemnity or
46 reimbursement for the destruction, loss, or injury of something in which the other party has an
47 interest. (1899, c. 54, s. 2; Rev., s. 4679; C.S., s. 6262; 1945, c. 383.)

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49 **§ 58-1-15. Warranties by manufacturers, distributors, or sellers of goods or services.**

- 50 (a) As used in this section:

1 (1) "Goods" means all things that are moveable at the time of sale or at the time
2 the buyer takes possession. "Goods" includes things not in existence at the
3 time the transaction is entered into; and includes things that are furnished or
4 used at the time of sale or subsequently in modernization, rehabilitation,
5 repair, alteration, improvement, or construction on real property so as to
6 become a part of real property whether or not they are severable from real
7 property.

8 (2) "Services" means work, labor, and other personal services.

9 (b) Any warranty made solely by a manufacturer, distributor, or seller of goods or
10 services without charge, or an extended warranty offered as an option and made solely by a
11 manufacturer, distributor, or seller of goods or services for charge, that guarantees indemnity
12 for defective parts, mechanical or electrical breakdown, labor, or any other remedial measure,
13 including replacement of goods or repetition of services, shall not be a contract of insurance
14 under Articles 1 through 64 of this Chapter; however, service agreements on motor vehicles are
15 governed by G.S. 66-370, 66-372, and 66-373. Service agreements on home appliances are
16 governed by G.S. 66-371, 66-372, and 66-373.

17 (c) Nothing in this section affects the provisions of Article 28 of this Chapter. Any
18 warranty or extended warranty made by any person other than the manufacturer, distributor, or
19 seller of the warranted goods or services is a contract of insurance.

20 (d) Repealed by Session Laws 1989 (Regular Session, 1990), c. 1021, s. 3. (1959, c.
21 866; 1975, cc. 643, 788; 1977, c. 185; 1987, c. 369; 1989, c. 789, s. 2; 1989 (Reg. Sess., 1990),
22 c. 1021, s. 3; 1991 (Reg. Sess., 1992), c. 1014, s. 2; 1995, c. 193, s. 2; 2007-95, s. 7.)
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24 **§ 58-1-20. Real property warranties.**

25 (a) Any warranty relating to fixtures to real property issued by a person is a contract of
26 insurance, except the following:

27 (1) A warranty made by a builder or seller of the real property;

28 (2) A warranty providing for the repair or replacement of the items covered by
29 the warranty for defective parts and mechanical failure or resulting from
30 ordinary wear and tear, and excluding from its coverage damage from
31 recognizable perils, such as fire, flood, and wind, that neither relate to any
32 defect in the items covered nor result from ordinary wear and tear.

33 (b) It is unlawful for any person to issue a warranty specified in subdivision (a)(2) of
34 this section unless that person has posted a surety bond with the Secretary of State in the
35 principal sum of not less than one hundred thousand dollars (\$100,000). The bond must be
36 issued by a surety company licensed to do business in this State and is subject to the approval
37 of the Secretary of State. Any person to whom the warranty is issued may institute an action to
38 recover against the warrantor and the surety bond for any breach of warranty.

39 (c) Persons issuing real property warranties shall comply with the requirements of G.S.
40 66-373. (1979, c. 773, s. 1; 1987, c. 864, s. 9; 1991, c. 644, s. 43; 2003-290, s. 1(a); 2007-95, s.
41 8.)
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43 **§ 58-1-25:** Recodified as G.S. 66-370 by Session Laws 2007-95, ss. 2-5, effective October 1,
44 2007.

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46 **§ 58-1-30:** Recodified as G.S. 66-371 by Session Laws 2007-95, ss. 2-5, effective October 1,
47 2007.

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49 **§ 58-1-35:** Recodified as G.S. 66-372 by Session Laws 2007-95, ss. 2-5, effective October 1,
50 2007.
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- 1 § **58-1-36**: Recodified as G.S. 66-373 by Session Laws 2007-95, ss. 2-5, effective October 1,
2 2007.
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- 4 § **58-1-40**: Repealed by Session Laws 1993 (Reg. Sess., 1994), c. 730, s. 3.
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- 6 § **58-1-42**: Recodified as G.S. 66-374 by Session Laws 2007-95, s. 6, effective October 1,
7 2007.
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- 9 §§ **58-1-43, 58-1-50**: Repealed by Session Laws 1993 (Reg. Sess., 1994), c. 730, s. 3.