

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2023

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SENATE BILL DRS45164-NE-134

Short Title: Modify Beach Plan Policy Limits.

(Public)

Sponsors: Senators Johnson, Lazzara, and Hanig (Primary Sponsors).

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO MODIFY BEACH PLAN POLICY LIMITS.

3 The General Assembly of North Carolina enacts:

4 **SECTION 1.(a)** G.S. 58-45-41 reads as rewritten:

5 "**§ 58-45-41. Coverage limits.**

6 (a) The Association shall cause to be issued insurance up to the reasonable value of the
7 insurable property, subject to a maximum of ~~seven hundred fifty thousand dollars (\$750,000)~~ one
8 million dollars (\$1,000,000) on habitational property. The above limits on habitational property
9 shall apply to the value of the building only. Insurance issued by the Association for commercial
10 property shall not exceed ~~three five million dollars (\$3,000,000) (\$5,000,000)~~ on any
11 freestanding structure or any building unit within multiple firewall divisions, provided the
12 aggregate insurance on structures with multiple firewall divisions shall not exceed ~~six ten~~ million
13 dollars ~~(\$6,000,000) (\$10,000,000)~~ on all interest at one risk.

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15 **SECTION 1.(b)** This section becomes effective June 1, 2023, and applies to
16 contracts issued, amended, or renewed on or after that date.

17 **SECTION 2.(a)** G.S. 58-45-41, as amended by Section 1(a) of this act, reads as
18 rewritten:

19 "**§ 58-45-41. Coverage limits.**

20 (a) The Association shall cause to be issued insurance up to the reasonable value of the
21 insurable property, both habitational property and commercial property, subject to a maximum
22 of one million dollars (\$1,000,000) on habitational property, as recommended by the Association
23 and approved by the Commissioner. The above limits on habitational property shall apply to the
24 value of the building only. Insurance issued by the Association for commercial property shall not
25 exceed ~~five million dollars (\$5,000,000)~~ the limits provided in this subsection on any
26 freestanding structure or any building unit within multiple firewall divisions, provided the
27 aggregate insurance on structures with multiple firewall divisions shall not exceed ten million
28 dollars (\$10,000,000) on all interest at one risk.

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30 **SECTION 2.(b)** This section becomes effective June 1, 2024, and applies to
31 contracts issued, amended, or renewed on or after that date.

32 **SECTION 3.** Except as otherwise provided, this act is effective when it becomes
33 law.

