

FINAL POLICY YEAR CLOSE OUT PROCEDURES

NORTH CAROLINA INSURANCE UNDERWRITING ASSOCIATION (BEACH PLAN)

- The Beach Plan will close out the fifth open policy year at the end of each fiscal year (September 30).
- As outlined in G.S. 58-45-25(b1) - The accumulated surplus of the Association shall be retained from year to year and used to pay losses, reinsurance costs, and other operating expenses as necessary. No member company shall be entitled to the distribution of any portion of the Association's surplus, except pursuant to judgments entered prior to the effective date of this subsection.
- The recommendation for the final close-out of the fifth year will be presented to the Accounting and Fiscal Affairs Committee at the Annual Board of Directors meeting (November). This committee will present their recommendation to the Board of Directors.
- The final close-out for the fifth open year will be processed by rolling forward the equity or deficit to the next open year.