



September 23, 2020

CIRCULAR LETTER TO ALL MEMBER INSURERS

**Re: NOTICE OF MEMBER ACTION TAKEN WITHOUT MEETING**

By communication letter dated August 5, 2020, the Staff of the North Carolina Insurance Guaranty Association (the "NCIGA"), in accordance with the directives of the Board of Directors of the NCIGA adopted on June 24, 2020, distributed to all member insurers a ballot form and proxy form, together with instructions, for use in connection with a Member Action Without Meeting proposal. Each member was allowed but not required to vote separately for or against each of seven (7) member insurers that had been nominated to serve a three-year term as a voting member of the NCIGA Board in accordance with the NCIGA's Plan of Operation. The members also were advised that the 2020 Triennial Meeting of the Member Insurers would be conducted using a virtual format, unless the virtual 2020 Triennial Meeting of the Members was rendered moot by a decision to elect a nominee for each of the available seats for a voting member of the Board. The only nominations received by the NCIGA from its members were for the seven member insurers who currently serve as voting members of the Board.

Each member could choose to ballot directly through an authorized representative, or by returning a completed proxy form authorizing an authorized representative of another member insurer to cast its ballot. Each member insurer was authorized to arrange for the return of each ballot and/or proxy to the NCIGA via electronic mail. Each member was advised that, in order to be counted, the ballot of the member, whether cast directly or by proxy, had to be received by the NCIGA by no later than 5:00 p.m. Eastern on Tuesday, September 15, 2020.

Working with the guidance of counsel, NCIGA Staff tabulated the ballots cast directly or by proxy received by the NCIGA by the required date and time. Staff reports that the Member Insurers have chosen to render moot the 2020 Triennial Meeting of the Member Insurers by duly electing each of the nominees to a three-year term as a voting member of the Board, subject to qualification by approval of the Commissioner of Insurance. Specifically, the NCIGA received timely ballots cast directly or via authorized proxies from 436 of the current 848 member insurers, and thus achieved quorum because a majority of the member insurers were "present" for purposes of the proposed member action without meeting. With respect to the results of each question separately presented to the member insurers, a plurality of member insurers duly voted separately to re-elect each of the seven nominees to a three-year term as a voting director of the Board of Directors of the NCIGA. The member insurers of the NCIGA have thereby chosen to render moot the proposed virtual 2020 Triennial Meeting of the Member Insurers.

Sincerely,

Raymond F. Evans, Jr., CPCU

General Manager

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