

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1991

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HOUSE BILL 846

Short Title: Insurance Premium Financing.

(Public)

Sponsors: Representative Beard.

Referred to: Commerce.

April 17, 1991

A BILL TO BE ENTITLED

AN ACT TO AMEND INSURANCE LAWS RELATING TO INSURANCE PREMIUM FINANCING.

The General Assembly of North Carolina enacts:

Section 1. G.S. 58-35-40(a) reads as rewritten:

"(a) No insurance premium finance company, and no employee of such a company shall pay, allow, or offer to pay or allow in any manner whatsoever to an insurance agent or any employee of an insurance agent, or to any other person, or as an inducement to the financing of an insurance policy with the insurance premium finance company or after any such policy has been financed, any rebate whatsoever, either from the service charge for financing specified in the insurance premium finance agreement or otherwise, or shall give or offer to give any valuable consideration or inducement of any kind directly or indirectly, other than an article of merchandise not exceeding one dollar (\$1.00) in value which shall have thereon the advertisement of the insurance premium finance company; but an insurance premium finance company may purchase or otherwise acquire an insurance premium finance agreement provided that it conforms to this Article in all respects, from another insurance premium finance company with or without recourse against the insurance premium finance company on such terms and conditions as may be mutually agreed upon and such terms and conditions shall be subject to the approval of the Commissioner. ~~A premium finance company may sell or transfer ownership of any premium finance agreement or power of attorney to cancel an insurance contract to another premium finance company as long as the terms and conditions of the sale or transfer are approved in writing by the Commissioner. Any consideration for such sale or transfer does not constitute a rebate or an inducement within the meaning of this section.~~

1 ~~The transferee company in such sale or transfer has the option of using the premium finance~~
2 ~~contract and forms of either the transferor company or of the transferee company, provided~~
3 ~~such forms have been approved by the Commissioner."~~

4 Sec. 2. This act becomes effective July 1, 1991.