

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2003

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SENATE BILL 486
Judiciary II Committee Substitute Adopted 4/14/03
House Committee Substitute Favorable 6/3/04
House Committee Substitute #2 Favorable 6/21/04

Short Title: Customer Inquiries/Insurance Coverage.

(Public)

Sponsors:

Referred to:

March 20, 2003

A BILL TO BE ENTITLED

AN ACT TO PROHIBIT INSURANCE COMPANIES FROM USING CUSTOMER
INQUIRIES TO TERMINATE A POLICY, TO REFUSE TO ISSUE OR RENEW
A POLICY, OR TO SUBJECT A POLICY TO CONSENT TO RATE.

The General Assembly of North Carolina enacts:

SECTION 1. Article 36 of Chapter 58 of the General Statutes is amended by
adding a new section to read:

**"§ 58-36-115. Prohibitions on using inquiries to terminate a policy, refuse to issue
or renew a policy, or to subject a policy to consent to rate.**

An insurer writing residential real property insurance subject to this Article shall not
terminate an existing policy or any coverage under an existing policy, refuse to write a
policy, refuse to renew a policy, or subject a policy to consent to rate as specified in
G.S. 58-36-30(b) based solely on either of the following:

- (1) An inquiry about policy provisions that does not result in a claim; or
- (2) A claim that was closed without payment, provided the notice of loss
that was the subject of the claim was only an inquiry regarding policy
provisions, and no claim for payment was requested by the insured or a
third party."

SECTION 2. This act becomes effective October 1, 2004, and applies to
policies issued or renewed on or after that date.