

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2021

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SENATE BILL 272

Short Title: Independent Agent Ownership of Expirations. (Public)

Sponsors: Senator Johnson (Primary Sponsor).

Referred to: Rules and Operations of the Senate

March 15, 2021

1 A BILL TO BE ENTITLED  
2 AN ACT DEFINING THE OWNERSHIP RIGHTS OF INDEPENDENT INSURANCE  
3 AGENTS WITH RESPECT TO POLICYHOLDER INFORMATION AND  
4 EXPIRATIONS.

5 The General Assembly of North Carolina enacts:

6 SECTION 1. Article 3 of Chapter 58 of the General Statutes is amended by adding  
7 a new section to read:

8 "**§ 58-3-133 Ownership of expirations and other policyholder information.**

9 (a) The following definitions apply in this section:

10 (1) Exclusive agent. – An insurance producer who (i) receives seventy-five  
11 percent (75%) or more of the producer's insurance-related commissions from  
12 one company or a group of affiliated companies or (ii) places seventy-five  
13 percent (75%) or more of the producer's policies with one company or a group  
14 of affiliated companies.

15 (2) Expiration. – All information and records, both written and electronic, relating  
16 to an insurance application or an insurance policy. Expirations include the  
17 name and address of the insured, the location and description of the property  
18 insured, the value of the insurance policy, the inception date, the renewal date,  
19 and the expiration date of the insurance policy, the premiums, the limits and a  
20 description of the terms and coverage of the insurance policy, and any other  
21 personal and privileged information compiled by an insurance producer or  
22 furnished by the insured to the insurer or any agent, contractor, or  
23 representative of the insurer.

24 (3) Financial institution. – As defined in G.S. 53B-2.

25 (4) Insurance producer. – As defined in G.S. 58-33-10.

26 (5) Personal information. – As defined in G.S. 58-39-15.

27 (6) Privileged information. – As defined in G.S. 58-39-15.

28 (b) Expirations are mutually and exclusively owned by the insured and the insurance  
29 producer who compiled the expirations. The limitations on the use of expirations as provided in  
30 subsections (c) and (d) of this section shall be for mutual benefit of the insured and the insurance  
31 producer.

32 (c) Except as otherwise provided in this section, for purposes of soliciting, selling, or  
33 negotiating the renewal or sale of insurance coverage, insurance products, or insurance services,  
34 insurance producers have the exclusive use of expirations they compile. No insurance company,  
35 managing general agent, surplus lines insurance broker, wholesale broker, or third-party  
36 administrator shall use expirations to solicit, sell, or negotiate the renewal or sale of insurance



1 coverage, insurance products, or insurance services to the insured, either directly or by providing  
2 the expirations to others without the express written consent of the insurance producer who  
3 compiled the expirations.

4 (d) This section does not apply to any of the following:

5 (1) An insured's request, individually or through another insurance producer, that  
6 the insurance company renew the policy or write other insurance business.

7 (2) An insurance producer who is an exclusive agent, in which case the rights of  
8 the producer shall be determined by the terms of the producer's contract with  
9 that company or affiliated group.

10 (3) An insurance producer who is in default for nonpayment of premiums under  
11 the contract with the insurer or is guilty of conversion of the insured's or  
12 insurer's premiums.

13 (4) An insurance producer with a license that has been revoked by or surrendered  
14 to the Commissioner.

15 (5) An insurance producer with a terminated agency contract with an insurance  
16 company when the insurance company is required by law to continue coverage  
17 for the insured. In that event, the insurance company shall continue to pay the  
18 insurance producer commissions on policies that the company is required to  
19 renew during the 36-month period following the effective date of the  
20 termination or three years, whichever is sooner. The commission shall be at  
21 the insurer's prevailing commission rates in effect on the date of renewal for  
22 that class or line of business in effect on the date of renewal for producers  
23 whose contracts are not terminated.

24 (6) An insurer's obligations under Article 41 of this Chapter.

25 (7) An insurer that, separate from an insurance producer, creates, develops,  
26 compiles, and assembles its own expirations.

27 (8) A financial institution that seeks to obtain the expiration dates of an insurance  
28 policy placed on collateral or otherwise used as security in connection with a  
29 loan made or serviced by the financial institution when the financial institution  
30 requires the expiration dates for evidence of insurance.

31 (9) A policy providing any health benefit plan."

32 **SECTION 2.** This act becomes effective October 1, 2021.