

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1991

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HOUSE BILL 839

Short Title: Credit Insurance Premium Rates.

(Public)

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Sponsors: Representative Beall.

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Referred to: Commerce.

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April 16, 1991

A BILL TO BE ENTITLED

1 AN ACT TO AFFECT THE PRESUMPTION OF REASONABLENESS OF CREDIT  
2 LIFE AND CREDIT ACCIDENT AND HEALTH INSURANCE PREMIUM  
3 RATES.  
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5 The General Assembly of North Carolina enacts:

6 Section 1. G.S. 58-57-35(a) reads as rewritten:

7 "(a) Benefits provided by credit life and credit accident and health insurance  
8 written under this Article shall be reasonable in relation to the premium charge. This  
9 requirement is conclusively presumed to be satisfied if the premium rates to be charged  
10 are no greater than those premium rates set forth in G.S. 58-57-40 and 58-57-45 of this  
11 Article for benefits as described in those sections. If an insurer files premium rates for  
12 all or part of its business that are greater than those premium rates to which this  
13 conclusive presumption applies, these greater rates shall nevertheless be approved by  
14 the Commissioner if the insurer demonstrates that the benefits may reasonably be  
15 expected to be reasonable in relation to the premium rates filed for the group or groups  
16 of insureds to which the premium rates would be applied. In making this determination,  
17 the Commissioner shall give due consideration to the past and prospective loss  
18 experience of the group or groups of insureds to which the rates would apply, to  
19 reasonable costs and expenses attributable to the insurer and creditor making the  
20 coverage available, and to other relevant factors including a fair return to the insurer and  
21 creditor. These premium rates shall be allowed to be applied only to the group or  
22 groups with respect to which the rate filing is made and approved. The amount charged  
23 to a debtor for any credit life or credit accident and health insurance shall not exceed the

1 premiums charged by the insurer, as computed at the time the charge to the debtor is  
2 determined."

3           Sec. 2. This act is effective upon ratification.