

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2003

SESSION LAW 2004-111  
SENATE BILL 486

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.

In the General Assembly read three times and ratified this the 7<sup>th</sup> day of July, 2004.

s/ Beverly E. Perdue  
President of the Senate

s/ James B. Black  
Speaker of the House of Representatives

s/ Michael F. Easley  
Governor

Approved 12:31 p.m. this 17<sup>th</sup> day of July, 2004