

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2011

H

2

HOUSE BILL 373
Committee Substitute Favorable 5/31/11

Short Title: Insurance Changes to Payments & Group Life.

(Public)

Sponsors:

Referred to:

March 17, 2011

1 A BILL TO BE ENTITLED
2 AN ACT TO AUTHORIZE THE PAYMENT OF INSURANCE PREMIUMS USING DEBIT
3 CARDS, TO FACILITATE THE PAYMENT OF INSURANCE PREMIUMS USING
4 CREDIT AND DEBIT CARDS, AND TO PERMIT THE COMMISSIONER OF
5 INSURANCE TO APPROVE NONTRADITIONAL GROUPS FOR GROUP LIFE
6 INSURANCE.

7 The General Assembly of North Carolina enacts:

8 **SECTION 1.** G.S. 58-3-145 reads as rewritten:

9 **"§ 58-3-145. Solicitation, negotiation or payment of premiums on insurance policies.**

10 An insurer, agent, or broker may accept payment of an insurance premium by credit card or
11 debit card if the insurer accepting payment by credit card or debit card meets the following
12 conditions:

13 (1) ~~The insurer makes payment by credit card available to all existing and~~
14 ~~prospective insureds and does not limit the use of credit card payments to~~
15 ~~certain persons.~~The insurer complies with the prohibition against unfair
16 discrimination contained in G.S. 58-63-15(7).

17 (2) The insurer pays the fees charged by the credit card company or debit card
18 issuer for the payment of premiums by credit ~~card~~ card or debit card."

19 **SECTION 2.** G.S. 58-58-135 reads as rewritten:

20 **"§ 58-58-135. "Group life insurance" defined.**

21 No policy of group life insurance shall be delivered in this State unless it conforms to one
22 of the following descriptions:

23 ...
24 (5a) A policy issued to a group other than those described in subdivisions (1)
25 through (5) of this section, subject to the following requirements:

26 a. Either of the following is true:

27 1. The Commissioner has made the following findings:

28 I. The issuance of the group policy is not contrary to the
29 best interest of the public.

30 II. The issuance of the group policy would result in
31 economies of acquisition or administration.

32 III. The benefits are reasonable in relation to the
33 premiums charged.

34 2. Another state having requirements substantially similar to
35 those contained in sub-sub-subdivision 1. of this



- 1 sub-subdivision has made a determination that the
2 requirements have been met.
3 b. The premium for the policy shall be paid from either the
4 policyholder's funds or funds contributed by the covered persons, or
5 from both.
6 c. An insurer may exclude or limit the coverage on any person as to
7 whom evidence of individual insurability is not satisfactory to the
8 insurer.
9 (6) Notwithstanding the provisions of this section, or any other provisions of
10 law to the contrary, a policy may be issued to the employees of the State or
11 any other political subdivision where the entire amount of premium therefor
12 is paid by such employees."
13 **SECTION 3.** This act becomes effective October 1, 2011.