

March 16, 2005

**H 653. CREDIT INSURANCE CHANGES.** TO MAKE CHANGES TO THE CREDIT INSURANCE LAWS TO DEFINE "CRITICAL PERIOD COVERAGE"; CLARIFY THE APPROPRIATE REFUND OF PREMIUMS METHOD WHEN A POLICY OR GROUP CERTIFICATE IS TERMINATED PRIOR TO THE SCHEDULED MATURITY DATE OF THE SUBJECT DEBT; ALLOW CREDIT CARD COVERAGE FROM OUT-OF-STATE FINANCIAL INSTITUTIONS; PROVIDE THAT INSURERS MUST ACKNOWLEDGE TO THE CLAIMANT ANY CLAIMS NOT PAID WITHIN THIRTY DAYS; CLARIFY THAT INSURERS CAN REQUIRE REGISTRATION WITH THE STATE UNEMPLOYMENT OFFICE TO QUALIFY FOR CREDIT UNEMPLOYMENT INSURANCE BUT CANNOT IMPOSE A TIME LIMIT ON THAT REGISTRATION NOR CONDITION QUALIFICATION FOR BENEFITS UNDER A POLICY UPON QUALIFICATION FOR STATE UNEMPLOYMENT BENEFITS; CLARIFY THAT, WITH RESPECT TO CREDIT UNEMPLOYMENT INSURANCE, THE REFUND SHALL EQUAL THE PRO RATA UNEARNED GROSS PREMIUM; AND PROVIDE THE COMMISSIONER OF INSURANCE WITH THE AUTHORITY TO ENFORCE THE LAWS GOVERNING CREDIT INSURANCE CONSISTENT WITH THE COMMISSIONER'S GENERAL ENFORCEMENT AUTHORITY AS SET FORTH IN CHAPTER 58 OF THE GENERAL STATUTES. Amends GS 58-57-5, 58-57-50(b), and 58-57-55, and adds new GS 58-57-60(d), 58-57-110(a)(4), 58-57-110(d), and 58-57-71, as title indicates. Repeals current GS 58-57-70 and 58-57-80, providing for enforcement and for civil and criminal penalties relating to credit insurance. Effective January 1, 2006.

**Intro. by Holliman.**

Ref. to Insurance

GS 58

June 2, 2005

**H 653. CREDIT INSURANCE CHANGES.** Intro. 3/16/05. House committee substitute as amended makes the following changes to 1st edition. Modifies proposed GS 58-57-50(b) to provide that the refund of premiums for decreasing term credit life insurance must be the actuarial method of calculating refunds that produces a refund equal to the original premium multiplied by the ratio of the sum of the remaining insured balances divided by the sum of the original insured balances as of the due date nearest the date of prepayment in full. Modifies proposed GS 58-57-60(d) to clarify that claim acknowledgment must include one of the provisions listed. Also modifies proposed GS 58-57-110(a)(4) to provide that although eligibility for benefits may be based on registration with the State unemployment office, the insurer may not require registration within a specified time. Authorizes insurer to require that insured provide a copy of the unemployment decision in order to qualify for benefits but provides that the decision may be used by insurer to deny a claim for benefits only if the reason for benefits denial is stated in decision. Deletes proposed GS 58-57-110(d), which would have required that the refund provision for credit unemployment insurance be equal to the pro rata unearned gross premium.

July 14, 2005

**SL 2005-181 (H 653). CREDIT INSURANCE CHANGES.** AN ACT TO MAKE CHANGES TO THE CREDIT INSURANCE LAWS TO DEFINE "CRITICAL PERIOD COVERAGE"; CLARIFY THE APPROPRIATE REFUND OF PREMIUMS METHOD WHEN A POLICY OR GROUP CERTIFICATE IS TERMINATED PRIOR TO THE SCHEDULED MATURITY DATE OF THE SUBJECT DEBT; ALLOW CREDIT CARD COVERAGE FROM OUT-OF-STATE FINANCIAL INSTITUTIONS; PROVIDE THAT INSURERS MUST ACKNOWLEDGE TO THE CLAIMANT ANY CLAIMS NOT PAID WITHIN THIRTY DAYS; CLARIFY THAT INSURERS CAN REQUIRE REGISTRATION WITH THE STATE UNEMPLOYMENT OFFICE AND PROVISION OF AN OFFICIAL STATE UNEMPLOYMENT OFFICE DECISION LETTER REGARDING THE CLAIM TO QUALIFY FOR CREDIT UNEMPLOYMENT INSURANCE BENEFITS UNDER THE POLICY BUT CANNOT IMPOSE A TIME LIMIT ON THAT REGISTRATION; AND PROVIDE THE COMMISSIONER OF INSURANCE WITH THE AUTHORITY TO ENFORCE THE LAWS GOVERNING CREDIT INSURANCE CONSISTENT WITH THE COMMISSIONER'S GENERAL ENFORCEMENT AUTHORITY AS SET FORTH IN CHAPTER 58 OF THE GENERAL

*STATUTES*. Summarized in *Daily Bulletin* 3/16/05 and 6/2/05. Enacted July 12, 2005. Effective January 1, 2006.