

March 16, 2005

H 657. PRODUCER COMP. TRANSPARENCY AND BROKER DUTY. TO REQUIRE INSURANCE PRODUCERS TO DISCLOSE COMPENSATION ARRANGEMENTS TO CUSTOMERS AND TO CLARIFY THAT AN INSURANCE BROKER MUST SERVE THE INTEREST OF THE CUSTOMER FIRST. Adds new GS 58-33-86 providing that insurance producers (and affiliates) who are compensated by customers for placement of insurance or for representing the customer must disclose to the customer the amount of compensation, if any, that the producer will receive from the insurer or from a third party for the placement, or, where applicable, that the producer is a representative of the insurer. The insurance producer must obtain the customer's written acknowledgment of the disclosure. Adds new GS 58-33-19, providing that an insurance broker has a fiduciary duty to protect the best interests of the broker's customers. Effective January 1, 2006.

Intro. by Holliman.

Ref. to Insurance

GS 58

May 25, 2005

H 657. BROKER COMP. TRANSPARENCY. Intro. 3/16/05. House committee substitute makes the following changes to 1st edition. Reorganizes proposed GS 58-33-86, specifies that it applies to brokers and their affiliates rather than to insurance producers and their affiliates, and provides exceptions relating to specified underwriting associations and to excess or surplus lines insurance. Deletes proposed GS 58-33-19 regarding fiduciary duty of broker. Makes technical and conforming changes.

June 12, 2006

H 657. REVISE INSURANCE RATE DEVIATIONS (NEW). Filed 3/15/05. Senate committee substitute deletes all provisions of the 2nd edition and replaces it with *AN ACT TO REVISE THE LAW GOVERNING INSURANCE RATE DEVIATIONS*. Amends GS 58-36-30(a) to prohibit an insurer from issuing an insurance policy that does not conform to the rates, rating plans, classifications, schedules, rules and standards made and filed by the Bureau, as approved by the Commissioner of Insurance (was, made and filed by the Bureau). Conforms language of section to reflect this change. Provides that once an insurer has filed a proposed deviation from those requirements with the Bureau and the Commissioner, the insurer may deviate if the resulting premium by coverage does not exceed the premium that would have been determined using the rates, rating plans, classifications, schedules, rules and standards promulgated by the Bureau. Deletes requirement that deviations be approved by the Commissioner. Also deletes requirement that before an insurer may terminate a deviation (1) the deviation must be in effect for at least six months, and (2) the insurer must notify the Commissioner at least 15 days prior to the effective date of termination.