

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025

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HOUSE BILL 81
PROPOSED COMMITTEE SUBSTITUTE H81-PCS40281-TU-3

Short Title: Restrict Use of Vehicle Telematics.

(Public)

Sponsors:

Referred to:

February 11, 2025

1 A BILL TO BE ENTITLED
2 AN ACT REQUIRING NOTICE AND CONSENT BEFORE AN INSURANCE INSTITUTION
3 OR AGENT MAY USE VEHICLE TELEMATICS.

4 The General Assembly of North Carolina enacts:

5 **SECTION 1.** Article 39 of Chapter 58 of the General Statutes is amended by adding
6 a new section to read:

7 "**§ 58-39-33. Use of vehicle telematics.**

8 (a) Notice and Consent Required. – An insurance institution or agent shall not collect,
9 receive, sell, share, or otherwise use vehicle telematics regarding an applicant or policyholder
10 without first doing all of the following:

11 (1) Notifying the applicant or policyholder how the vehicle telematics will be
12 used.

13 (2) Obtaining the consent of the applicant or policyholder in writing.

14 (3) Notifying the applicant or policyholder that consent may be revoked at any
15 time.

16 (b) Revocation of Consent. – Any applicant or policyholder providing consent pursuant
17 to this section may revoke consent at any time. An insurance institution or agent collecting,
18 receiving, selling, sharing, or otherwise using vehicle telematics shall (i) provide an applicant or
19 policyholder with reasonable means to communicate revocation of consent and (ii) effectuate the
20 revocation of consent within 24 hours of its communication.

21 (c) Penalty. – A violation of this section constitutes both an unfair trade practice under
22 Article 63 of this Chapter and an unfair and deceptive trade practice under G.S. 75-1.1."

23 **SECTION 2.** G.S. 58-39-15 reads as rewritten:

24 "**§ 58-39-15. Definitions.**

25 As used in this Article:

26 (1) ~~"Adverse underwriting decision" means:~~ Adverse underwriting decision. –

27 a. Any of the following actions with respect to insurance transactions
28 involving insurance coverage that is individually underwritten:

29 1. A declination of insurance ~~coverage;~~ coverage.

30 2. A termination of insurance ~~coverage;~~ coverage.

31 3. Failure of an agent to apply for insurance coverage with a
32 specific insurance institution that an agent represents and that
33 is requested by an ~~applicant;~~ applicant.

34 4. In the case of a property or casualty insurance coverage:

35 I. Placement by an insurance institution or agent of a risk
36 with a residual market mechanism, an unauthorized



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- 1 insurer, or an insurance institution that specializes in
 2 substandard risks; or
- 3 II. The charging of a higher rate on the basis of
 4 information that differs from that which the applicant
 5 or policyholder ~~furnished; or~~ furnished.
- 6 5. In the case of a life, health, or disability insurance coverage, an
 7 offer to insure at higher than standard rates.
- 8 b. Notwithstanding subdivision (1)a. of this section, none of the
 9 following actions shall ~~not~~ be considered adverse underwriting
 10 decisions, but the insurance institution or agent responsible for their
 11 occurrence shall nevertheless provide the applicant or policyholder
 12 with the specific reason or reasons for their occurrence:
- 13 1. The termination of an individual policy form on a class or
 14 statewide ~~basis;~~ basis.
- 15 2. A declination of insurance coverage solely because such
 16 coverage is not available on a class or statewide ~~basis; or~~ basis.
- 17 3. The rescission of a policy.
- 18 (2) ~~"Affiliate" or "affiliated" means a~~ Affiliate or affiliated. – A person that
 19 directly, or indirectly through one or more intermediaries, controls, is
 20 controlled by, or is under common control with another person.
- 21 (3) ~~"Agent" has~~ Agent. – Agent has the meaning as set forth in G.S. 58-33-10,
 22 and includes limited representatives, limited line credit insurance producers,
 23 limited lines producers, insurance producers, and surplus lines licensees.
- 24 (4) ~~"Applicant" means any~~ Applicant. – Any person who seeks to contract for
 25 insurance coverage other than a person seeking group insurance that is not
 26 individually underwritten.
- 27 (5) ~~"Consumer report" means any~~ Consumer report. – Any written, oral, or other
 28 communication of information bearing on a natural person's credit worthiness,
 29 credit standing, credit capacity, character, general reputation, personal
 30 characteristics, or mode of living that is used or expected to be used in
 31 connection with an insurance transaction.
- 32 (6) ~~"Consumer reporting agency" means any~~ Consumer reporting agency. – Any
 33 person ~~who~~ who does all of the following:
- 34 a. Regularly engages, in whole or in part, in the practice of assembling
 35 or preparing consumer reports for a monetary ~~fee;~~ fee.
- 36 b. Obtains information primarily from sources other than insurance
 37 ~~institutions; and~~ institutions.
- 38 c. Furnishes consumer reports to other persons.
- 39 (7) ~~"Control," including the terms "controlled by" or "under common control~~
 40 ~~with," means the~~ Control, controlled by, or under common control with. – The
 41 possession, direct or indirect, of the power to direct or cause the direction of
 42 the management and policies of a person, whether through the ownership of
 43 voting securities, by contract other than a commercial contract for goods or
 44 nonmanagement services, or otherwise, unless the power is the result of an
 45 official position with or corporate office held by the person.
- 46 (8) ~~"Declination of insurance coverage" means a~~ Declination of insurance
 47 coverage. – A denial, in whole or in part, by an insurance institution or agent
 48 of requested insurance coverage.
- 49 (9) ~~"Individual" means any~~ Individual. – Any natural person ~~who~~ who is any of
 50 the following:

- 1 a. In the case of property or casualty insurance, is a past, present, or
 2 proposed named insured or certificate ~~holder;~~holder.
- 3 b. In the case of life, health, or disability insurance, is a past, present, or
 4 proposed principal insured or certificate ~~holder;~~holder.
- 5 c. Is a past, present or proposed policy ~~owner;~~owner.
- 6 d. Is a past or present ~~applicant;~~applicant.
- 7 e. Is a past or present ~~claimant;~~claimant.
- 8 f. Derived, derives, or is proposed to derive insurance coverage under an
 9 insurance policy or certificate subject to this ~~Article;~~ or Article.
- 10 g. Is the subject of personal information collected or maintained by an
 11 insurance institution, agent, or insurance-support organization in
 12 connection with mortgage guaranty insurance.
- 13 (10) ~~"Institutional source" means any Institutional source. – Any person or~~
 14 ~~governmental entity that provides information about an individual to an agent,~~
 15 ~~insurance institution, or insurance-support organization, other than:~~than any
 16 of the following:
- 17 a. An ~~agent;~~agent.
- 18 b. The individual who is the subject of the ~~information;~~ or information.
- 19 c. A natural person acting in a personal capacity rather than in a business
 20 or professional capacity.
- 21 (11) ~~"Insurance institution" means any Insurance institution. – Any corporation,~~
 22 ~~association, partnership, reciprocal exchange, inter-insurer, Lloyd's insurer,~~
 23 ~~fraternal benefit society, or other person engaged in the business of insurance,~~
 24 ~~including health maintenance organizations and medical, surgical, hospital,~~
 25 ~~dental, and optometric service plans, governed by Articles 65 through 67 of~~
 26 ~~this Chapter. "Insurance institution" shall not include agents or~~
 27 ~~insurance-support organizations.~~
- 28 (12) ~~"Insurance support organization" means any Insurance-support organization.~~
 29 ~~– Any person who regularly engages, in whole or in part, in the practice of~~
 30 ~~assembling or collecting information about natural persons for the primary~~
 31 ~~purpose of providing the information to an insurance institution or agent for~~
 32 ~~insurance transactions, including: (i) the furnishing of consumer reports or~~
 33 ~~investigative consumer reports to an insurance institution or agent for use in~~
 34 ~~connection with an insurance transaction; or (ii) the collection of personal~~
 35 ~~information from insurance institutions, agents, or other insurance-support~~
 36 ~~organizations for the purpose of detecting or preventing fraud, material~~
 37 ~~misrepresentation, or material nondisclosure in connection with insurance~~
 38 ~~underwriting or insurance claim activity; provided, however, the following~~
 39 ~~persons shall not be considered "insurance-support organizations" for~~
 40 ~~purposes of this Article: agents, governmental institutions, insurance~~
 41 ~~institutions, medical-care institutions, and medical professionals.~~
- 42 (13) ~~"Insurance transaction" means any Insurance transaction. – Any transaction~~
 43 ~~involving insurance primarily for personal, family, or household needs rather~~
 44 ~~than business or professional needs that entails:~~entails either of the following:
- 45 a. The determination of an individual's eligibility for an insurance
 46 coverage, benefit, or ~~payment;~~ or payment.
- 47 b. The servicing of an insurance application, policy, contract, or
 48 certificate.
- 49 (14) ~~"Investigative consumer report" means a Investigative consumer report. – A~~
 50 ~~consumer report or portion thereof in which information about a natural~~
 51 ~~person's character, general reputation, personal characteristics, or mode of~~

- 1 living is obtained through personal interviews with the person's neighbors,
 2 friends, associates, acquaintances, or others who may have knowledge
 3 concerning such items of information.
- 4 (15) ~~"Life insurance" includes Life insurance. – Life insurance includes annuities.~~
- 5 (16) ~~"Medical care institution" means any Medical-care institution. – Any facility~~
 6 or institution that is licensed to provide health care services to natural persons,
 7 including but not limited to, hospitals, skilled nursing facilities, home-health
 8 agencies, medical clinics, rehabilitation agencies, public health agencies, or
 9 health-maintenance organizations.
- 10 (17) ~~"Medical professional" means any Medical professional. – Any person~~
 11 licensed or certified to provide health care services to natural persons,
 12 including but not limited to, a physician, dentist, nurse, chiropractor,
 13 optometrist, physical or occupational therapist, licensed clinical social
 14 worker, clinical dietitian, clinical psychologist, pharmacist, or speech
 15 therapist.
- 16 (18) ~~"Medical record information" means personal Medical-record information. –~~
 17 Personal information that:
 18 a. Relates to an individual's physical or mental condition, medical
 19 history, or medical treatment; and
 20 b. Is obtained from a medical professional or medical-care institution,
 21 from the individual, or from the individual's spouse, parent, or legal
 22 guardian.
- 23 (19) ~~"Personal information" means any Personal information. – Any individually~~
 24 identifiable information gathered in connection with an insurance transaction
 25 from which judgments can be made about an individual's character, habits,
 26 avocations, finances, occupation, general reputation, credit, health, or any
 27 other personal characteristics. "Personal information" includes an individual's
 28 name and address and medical-record information, but does not include
 29 privileged information.
- 30 (20) ~~"Policyholder" means any person who: Policyholder. – Any of the following:~~
 31 a. In the case of individual property or casualty insurance, a person who
 32 is a present named ~~insured;~~insured.
 33 b. In the case of individual life or accident and health insurance, a person
 34 who is a present policy ~~owner;~~ owner.
 35 c. In the case of group insurance that is individually underwritten, a
 36 person who is a present group certificate holder.
- 37 (21) ~~"Pretext interview" means an Pretext interview. – An interview whereby a~~
 38 person, in an attempt to obtain information about a natural person, performs
 39 one or more of the following acts:
 40 a. Pretends to be someone he is ~~not;~~not.
 41 b. Pretends to represent a person he is not in fact
 42 ~~representing;~~representing.
 43 c. Misrepresents the true purpose of the ~~interview;~~ interview.
 44 d. Refuses to identify himself upon request.
- 45 (22) ~~"Privileged information" means any Privileged information. – Any~~
 46 individually identifiable information that (i) relates to a claim for insurance
 47 benefits or a civil or criminal proceeding involving an individual, and (ii) is
 48 collected in connection with or in reasonable anticipation of a claim for
 49 insurance benefits or civil or criminal proceeding involving an individual:
 50 Provided, however, information otherwise meeting the requirements of this

subsection shall nevertheless be considered personal information under this Article if it is disclosed in violation of G.S. 58-39-75.

(23) ~~"Residual market mechanism" means any Residual market mechanism. – Any~~ reinsurance facility, joint underwriting association, assigned risk plan, or other similar plan established under the laws of this State.

(24) ~~"Termination of insurance coverage" or "termination of an insurance policy" means either – Termination of insurance coverage or termination of an insurance policy. – Either~~ a cancellation or nonrenewal of an insurance policy, in whole or in part, for any reason other than the failure to pay a premium as required by the policy.

(25) ~~"Unauthorized insurer" means an – Unauthorized insurer. – An~~ insurance institution that has not been granted a license by the Commissioner to transact the business of insurance in this State.

(26) Vehicle telematics. – Data regarding an individual's driving habits obtained through the installation of a tracking device, application, or software into an individual's motor vehicle or mobile device that transmits the data via wireless networks."

SECTION 3. G.S. 14-196.3 reads as rewritten:

"§ 14-196.3. Cyberstalking.

(a) The following definitions apply in this section:

...

(b) It is unlawful for a person to:

...

(5) Knowingly install, place, or use an electronic tracking device without consent, or cause an electronic tracking device to be installed, placed, or used without consent, to track the location of any person. The provisions of this subdivision do not apply to the installation, placement, or use of an electronic tracking device by any of the following:

...

l. An insurance institution or agent that collects, receives, sells, shares, or otherwise uses vehicle telematics, as defined in G.S. 58-39-15, regarding an applicant or policyholder through the installation of a tracking device, application, or software into an individual's motor vehicle or mobile device that transmits the data via wireless networks, provided the insurance institution or agent obtains written consent in accordance with G.S. 58-39-33.

...."

SECTION 4. This act becomes effective October 1, 2025, and applies to contracts issued, renewed, or amended on or after that date.