

# Insurance

See full summary documents for additional detail

## **Office of State Fire Marshal Technical Changes – 2023 Budget Technical/Other Corrections.**

SL 2024-1 (S508), Sec 6.4

Section 6.4 of S.L. 2024-1 does the following:

- Transfers the powers and duties of insuring State property, officials, and employees and public education property and persons from the Department of Insurance and the Commissioner of Insurance to the Office of the State Fire Marshal and the State Fire Marshal.
- Makes technical and conforming changes.

This section became effective July 1, 2023.

## **Predatory Roofing/Insurance Rebate Reform.**

SL 2024-11 (S124)

S.L. 2024-11 does the following:

- Requires contracts for residential roof replacement or repair to have a five-business day cancellation period following an insurance claim denial for the work to be performed under the contract.
- Allows insurers, insurance producers, or limited representatives to offer or provide products or services not specified in an insurance policy if certain conditions are met.
- Limits the commission, fee, or other valuable consideration given for the referral of insurance business by an unlicensed individual to a licensed insurance agent or broker to \$50.00 or less in value.

This act becomes effective October 1, 2024. The section of this act pertaining to contracts for residential roof replacement or repair applies to contracts entered into on or after that date. The section of this act pertaining to commissions applies to any referral of insurance business made on or after that date.

## **Insurance Revisions/Online Auctions/Firefighters.**

SL 2024-29 (S319)

Session Law 2024-29:

- Clarifies that risk retention groups chartered in this State are subject to examination by the Commissioner of Insurance and are responsible for the costs of the examination.

- Reduces from 5% to 1.85% the tax rate applicable to gross premiums paid for coverages within this State to risk retention groups not chartered in this State.
- Removes the requirement that foreign captive insurance companies redomesticate to North Carolina before December 31, 2022, in order to qualify for the exemption from paying gross premiums taxes in the year of and after redomestication and extends by two years the expiration date of this exemption, ending it for taxable years beginning on or after January 1, 2026.
- Allows certain foreclosure sales to be conducted at designated public locations, expands the time allowed for a scheduled foreclosure sale to commence, and establishes a procedure for remote bidding at a foreclosure sale.
- Permits health benefit plan sponsors, on behalf of any enrolled individual, to consent to delivery of all plan-related documents by electronic means in compliance with the Uniform Electronic Transactions Act, if that is not otherwise prohibited under ERISA.
- Permits an individual to be licensed simultaneously as an adjuster and as an insurance producer with casualty, personal lines, or property lines of authority.
- Clarifies that either the appointing insurer or the appointed insurance producer can notify the Commissioner when the appointment is cancelled.
- Amends the definition of an "underinsured motor vehicle" by removing language that states the applicable limits of underinsured (UIM) coverage at the time of the accident are those "for the vehicle involved in the accident and insured under the owner's policy."
- Makes technical corrections to certain insurance provisions in S.L. 2023-133 concerning the calculation of underinsured motorist coverage and insurance ratemaking laws.
- Establishes the Firefighters' Cancer Insurance Program to provide health benefits to eligible firefighters with a new diagnosis of cancer on or after January 1, 2022.
- Increases from \$10.00 to \$15.00 the monthly payment by eligible firefighters and rescue squad workers who participate in the North Carolina Firefighters' and Rescue Squad Workers' Pension Fund and increases the monthly pension benefit from \$170.00 to \$175.00.
- Requires a county to ensure a criminal history record check is conducted for an applicant over the age of 18 who is applying for a firefighting position and allows county clerks of court and third-party vendors to conduct a record check under certain conditions.

This act has various effective dates. Please see the full summary for more details.

### **Captive Insurance Revisions – Insurance Rev/Online Auctions/Firefighters.**

SL 2024-29 (S319), Secs. 1-3

Sections 1 through 3 of S.L. 2024-29 do the following:

- Provides that a risk retention group chartered in this State is subject to examination by the Commissioner of Insurance whenever the Commissioner deems it prudent and reasonable.
- Reduces from 5% to 1.85% the tax rate applicable to gross premiums paid for coverages within this State to risk retention groups not chartered in this State.

- Eliminates the requirement that a foreign captive insurance company redomesticate to North Carolina prior to December 31, 2022, in order to qualify for the exemption from paying gross premiums taxes in the year of and in the year after redomestication and extends by one year the sunset on this exemption provision, ending it for taxable years beginning on or after January 1, 2026.

Sections 1 and 2 of S.L. 2024-29 become effective October 1, 2024. Section 3 became effective July 2, 2024.