

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1999

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SENATE BILL 394

Short Title: Credit Card Payment of Insurance.

(Public)

Sponsors: Senator Hartsell.

Referred to: Insurance.

March 17, 1999

A BILL TO BE ENTITLED

AN ACT TO ALLOW PREMIUMS FOR AUTOMOBILE AND PROPERTY AND
CASUALTY INSURANCE COVERAGE TO BE PAID BY CREDIT CARD.

The General Assembly of North Carolina enacts:

Section 1. G.S. 58-3-145 reads as rewritten:

"§ 58-3-145. Solicitation, negotiation or payment of premiums on insurance policies through credit card facilities prohibited; exceptions.

(a) Except as otherwise provided herein, no authorized insurer and no representative of such insurer or insurance broker shall employ or avail itself of the facilities of any person, firm or corporation engaged in the credit card business to solicit or negotiate any contract of insurance upon any life or risk within the State of North Carolina, or accept the payment of premiums upon a policy of insurance, insuring any life or risk in the State of North Carolina, through the use of any credit card facility. Except as otherwise provided herein, no person, firm or corporation engaged in the business of extending credit through a credit card system shall, on behalf of any insurer, its representative or any insurance broker, utilize his or its credit card facilities to solicit for, negotiate contracts of insurance or accept the payment of premiums upon any contract of insurance from credit card holders or prospective credit card holders who reside in this State. The solicitation for and the negotiation of policies of insurance prohibited by this section shall include, but shall not be limited to, the transmittal of applications for

1 insurance, premium rate schedules, circulars, letters or sales literature pertaining to
2 insurance to credit card holders or prospective credit card holders who reside in this
3 State. Credit card business as used in this section shall mean the business of extending
4 credit to persons who are holders of credit cards issued by the credit card facility or
5 organization entitling the holder to pay charges for purchases or other transactions
6 through the use of credit card facilities.

7 (b) Nothing in this section shall prohibit an authorized insurer, the representative
8 of such insurer, or an insurance broker from accepting payment of an insurance premium
9 through a credit card facility provided and operated by a banking corporation principally
10 domiciled in this State and doing business under the laws of the State of North Carolina
11 or the United States. No such bank shall be prohibited from making such credit card
12 facility available for this limited purpose, provided, that all records relating to the
13 payment of insurance premiums through such credit card facility are maintained within
14 the State of North Carolina.

15 (c) Nothing in this section shall prohibit an authorized insurer, the representative
16 of such insurer, or an insurance broker from notifying its or his customers or prospective
17 customers through means other than credit card facilities of the availability of credit card
18 facilities for the payment of insurance premiums.

19 (d) Nothing in this section shall prohibit any authorized insurer qualified to do
20 business in the State of North Carolina pursuant to the provisions of ~~Articles 1 through 64~~
21 ~~of this Chapter~~, and any representative of such insurer or insurance broker, from
22 employing or availing itself of the facilities of any person, firm or corporation engaged in
23 the business of extending credit through a credit card system for the limited purposes of
24 soliciting for or negotiating any contract of travel accident insurance upon any life or risk
25 within the State of North Carolina arising from travel, including but not limited to airline
26 flight insurance, or accepting the payment of premiums thereon, through the use of any
27 credit card facility. Nor shall anything in this section prohibit any person, firm or
28 corporation engaged in the business of extending credit through a credit card system on
29 behalf of any insurer, its representative or any insurance broker, from utilizing ~~his or its~~
30 credit card facilities for the limited purposes of soliciting for or negotiating contracts of
31 travel accident insurance, including but not limited to airline flight insurance, or
32 accepting the payment of premiums thereon, from credit card holders or prospective
33 credit card holders who reside in this State.

34 (e) Nothing in this section shall prohibit any authorized insurer qualified to do
35 business in the State of North Carolina pursuant to the provisions of this Chapter, and any
36 representative of the insurer or insurance broker, from employing or availing itself of the
37 facilities of any person, firm, or corporation engaged in the business of extending credit
38 through a credit card system for the limited purpose of accepting the payment of
39 premiums through a credit card facility on (i) any contract of insurance against loss to
40 real property under Articles 36, 44, 45, or 46 of this Chapter or (ii) any motor vehicle
41 liability policy, as defined in G.S. 20-279.21. Nor shall anything in this section prohibit
42 any person, firm, or corporation engaged in the business of extending credit through a
43 credit card system on behalf of any insurer, its representative, or any insurance broker,

1 from utilizing its credit card facilities for the limited purpose of accepting the payment of
2 premiums from credit card holders or prospective credit card holders who reside in this
3 State on (i) any contract of insurance against loss to real property under Articles 36, 44,
4 45, or 46 of this Chapter or (ii) any motor vehicle liability policy, as defined in G.S. 20-
5 279.21."

6 Section 2. This act becomes effective October 1, 1999.