



# SENATE BILL 270: Insurance Technical Changes.

2021-2022 General Assembly

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<b>Committee:</b>		<b>Date:</b>	February 2, 2022
<b>Introduced by:</b>		<b>Prepared by:</b>	Kristen L. Harris Staff Attorney
<b>Analysis of:</b>	S.L. 2021-177		

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**OVERVIEW:** *S.L. 2021-177 makes changes to North Carolina's insurance laws in Chapter 58 of the General Statutes addressing rate evasion fraud and certificates of insurance and makes other technical and conforming changes.*

*This act became effective January 1, 2022.*

**CURRENT LAW:** Chapter 58 of the General Statutes regulates the insurance industry in North Carolina.

**BILL ANALYSIS:** S.L. 2021-177 does the following:

- Specifies that an insurer and its agent may satisfy rate evasion fraud requirements within 25 business days of coverage binding under an insurance policy, by obtaining from the applicant, reliable proof of North Carolina residency and status as an eligible risk.
- Allows verification of certain documents for rate evasion purposes to be provided electronically.
- Provides that a certificate of insurance must be issued by an insurance company or licensed producer and may be submitted or created electronically.
- Creates a civil penalty of up to \$5,000 when an individual who is not regulated under Chapter 58 prepares, issues, requests, or requires a certificate of insurance that has not been filed with and approved by the Commissioner, contains false or misleading information, or purports to alter, amend, or extend coverage.
- Makes technical and conforming changes.

**EFFECTIVE DATE:** This act became effective January 1, 2022.

Jeffrey Hudson  
Director



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