

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1995

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SENATE BILL 889

Short Title: Insurer Use of Credit Cards.

(Public)

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Sponsors: Senators Warren, Hobbs, Hoyle, and Carpenter.

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Referred to: Judiciary II/Election Laws

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May 1, 1995

A BILL TO BE ENTITLED

AN ACT TO REQUIRE INSURERS TO OBTAIN THE SERVICES OF CREDIT  
CARD SYSTEMS THROUGH LICENSED AGENTS.

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.**

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 insurance, premium rate

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

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

35 No insurer shall employ or avail itself of the facilities of any person, firm, or  
36 corporation engaged in the business of extending credit through a credit card system  
37 except through an insurance agent licensed in this State."

38 Sec. 2. This act is effective upon ratification.