

11 NCAC 04 .0416 BILLING PROCEDURES FOR AUTOMOBILE INSURANCE

- (a) With respect to new business, an insurer shall take no more than 90 days from the effective date of the policy to make any investigation other than review of the initial application and to bill the insured for proper rate classification or sub-classification.
- (b) With respect to renewal business, an insurer shall not bill for any additional premium after the renewal quotation is made for any condition that existed at the time of renewal and is on the driver's motor vehicle record.
- (c) With respect to renewal business, if the insured does not provide updated and complete rating information necessary to underwrite the policy or makes an effort to withhold rating information, the insurer shall take no more than 90 days from the effective date of the renewal to make inquiry of the insured, to make any other investigation, and to bill the insured for proper rate classification and sub-classification.
- (d) When an insurer obtains information from sources other than the Department of Motor Vehicles for use in underwriting an automobile policy and the insured alleges that the information is incorrect, the insurer shall verify the accuracy of such information.
- (e) Unearned premium refunds shall be determined from the later of either the date the consumer gives direct notice to a company or an agent of the company of the cancellation or the effective date of cancellation requested by the insured. In the case of physical damage insurance where there is a loss payee, the effective date of cancellation for the purposes of determining unearned premium refund shall be 10 days from the date cancellation notice was given to a company or a company's agent.
- (f) If the consumer can show proof that within the 10 day period in this Rule where cancellation involves a loss payee, and the consumer had obtained replacement physical damage coverage that included the loss payee, then the cancellation date for purposes of determining unearned premium refund shall be the last date of any lapse in coverage for the loss payee during the 10 day time set out in this Rule. In the case of no lapse, shall be determined as if no loss payee was involved.

*History Note: Authority G.S. 58-2-40; 58-63-65;
Eff. December 15, 1979;
Amended Eff. April 1, 1989; July 1, 1986;
Readopted Eff. November 1, 2021.*