

11 NCAC 10 .1204 PROHIBITED POLICY PROVISIONS

Policy forms will be disapproved if they contain any of the following kind of policy provisions:

- (1) a provisions that the application is a consideration of coverage; unless the application is physically attached to the policy;
- (2) a provision that the rules or bylaws of the company are a part of the contract; unless such rules or bylaws are actually written into or physically attached to the policy;
- (3) a provision that a portion of the premium becomes due and payable only after the occurrence of a loss, for example, a premium retention policy;
- (4) a provision in a liability policy that relieves the company of liability on account of insolvency of the insured;
- (5) a provision that knowledge of the agent is not binding on the company;
- (6) a provision purporting to limit to less than three years any suit on the contract by the policyholder.

History Note: *Authority G.S. 58-2-40; 58-3-10; 58-3-15; 58-7-15;*
Eff. January 1, 1989;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. January 3,
2017.