

11 NCAC 12 .1105 DISCLOSURE REQUIREMENTS

In conjunction with any offer of new coverage made in any consolidation, the new insurer shall disclose in writing to each debtor the following:

- (1) That the insured may have the right to continue or convert his old coverage by paying premium directly to the old insurer;
- (2) That the new coverage is not conditioned upon either the termination or replacement of the old coverage;
- (3) The name and address of the old and new insurer;
- (4) The effective date of the new coverage;
- (5) The beneficiary of the new coverage;
- (6) Amount of coverage for both the new and old plans. If the amount of coverage for the old plan is not known, a statement that the amount may be scheduled and it may be less than or greater than the amount of the loan and the insured should check his old policy schedule for an exact amount of coverage;
- (7) Material differences, if any, between the new plan and the old plan;
- (8) A statement as to whether the old plan was an individual or group plan and a statement as to whether the new plan is an individual or a group policy.
- (9) Cautionary language shall be affixed in sticker form in bold type upon the face or insert page of any policy/certificate issued pursuant to 11 NCAC 12 .1104 and .1106 with language substantially as follows:

IMPORTANT NOTICE

This certificate/policy is issued to you in connection with a mortgage insurance consolidation. It is the intention of the insurer to provide you coverage that is equal to or better than the coverage you had before. To the extent the benefits provided or the provisions of your prior certificate/policy are more liberal than those under this certificate/policy, the provisions of your prior certificate will control. This certificate/policy shall be incontestable from its date of issue.

*History Note: Authority G.S. 58-2-40; 58-2-210;
Eff. February 1, 1992;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. May 1, 2018.*