

NORTH CAROLINA GENERAL ASSEMBLY
1967 SESSION

CHAPTER 1245
HOUSE BILL 1144

1 AN ACT TO PROHIBIT THE TRANSACTION OF INSURANCE BUSINESS THROUGH
2 THE USE OF CREDIT CARD FACILITIES, INCLUDING THE SOLICITATION,
3 NEGOTIATION OR PAYMENT OF PREMIUMS ON POLICIES OF INSURANCE.
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5 The General Assembly of North Carolina do enact:
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7 **Section 1.** Chapter 58 of the General Statutes of North Carolina is hereby amended
8 by adding immediately after Article 4 thereof a new Article to be designated as "Article 4A"
9 and to read as follows:

10 "Article 4A

11 "Insurance Business Through Credit Cards Prohibited.

12 **"§ 58-61.2. Solicitation, Negotiation or the Payment of Premiums on Insurance Policies**
13 **Through Credit Card Facilities Prohibited; Exceptions.** Except as otherwise provided
14 herein, no authorized insurer and no representative of such insurer or insurance broker shall
15 employ or avail itself of the facilities of any person, firm or corporation engaged in the credit
16 card business to solicit or negotiate any contract of insurance upon any life or risk within the
17 State of North Carolina, or accept the payment of premiums upon a policy of insurance,
18 insuring any life or risk in the State of North Carolina, through the use of any credit card
19 facility. Except as otherwise provided herein, no person, firm or corporation engaged in the
20 business of extending credit through a credit card system shall, on behalf of any insurer, its
21 representative of any insurance broker, utilize his or its credit card facilities to solicit for,
22 negotiate contracts of insurance or accept the payment of premiums upon any contract of
23 insurance from credit card holders or prospective credit card holders who reside in this State.
24 The solicitation for and the negotiation of policies of insurance prohibited by this Section shall
25 include, but shall not be limited to, the transmittal of applications for insurance, premium rate
26 schedules, circulars, letters or sales literature pertaining to insurance to credit card holders or
27 prospective credit card holders who reside in this State. Credit card business as used in this
28 Section shall mean the business of extending credit to persons who are holders of credit cards
29 issued by the credit card facility or organization entitling the holder to pay charges for
30 purchases or other transactions through the use of credit card facilities.

31 "Nothing in this Article shall prohibit an authorized insurer, the representative of such
32 insurer, or an insurance broker from accepting payment of an insurance premium through a
33 credit card facility provided and operated by a banking corporation principally domiciled in this
34 State and doing business under the laws of the State of North Carolina or the United States. No
35 such bank shall be prohibited from making such credit card facility available for this limited
36 purpose, provided, that all records relating to the payment of insurance premiums through such
37 credit card facility are maintained within the State of North Carolina.

38 "Nothing in this Article shall prohibit an authorized insurer, the representative of such
39 insurer, or an insurance broker from notifying its or his customers or prospective customers
40 through means other than credit card facilities of the availability of credit card facilities for the
41 payment of insurance premiums."

42 **Sec. 2.** If any provision of this Act or the application thereof to any person or
43 circumstances is held invalid, such invalidity shall not affect other provisions or application of

1 the Act which can be given separate effect without the invalid provision or application, and to
2 this end the provisions of this Act are declared to be severable.

3 **Sec. 3.** All laws and clauses of laws in conflict with this Act are hereby repealed.

4 **Sec. 4.** This Act shall be effective from and after its ratification.

5 In the General Assembly read three times and ratified, this the 6th day of July, 1967.