

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

H

2

HOUSE BILL 1115

Senate Pensions & Retirement and Insurance Committee Substitute Adopted 7/30/97

Short Title: Church Insurance Coverage.

(Public)

Sponsors:

Referred to:

April 21, 1997

A BILL TO BE ENTITLED

AN ACT TO PROHIBIT THE CANCELLATION OF INSURANCE POLICIES THAT PROVIDE COVERAGE FOR CHURCHES FOR LOSSES RESULTING FROM A FIRE.

The General Assembly of North Carolina enacts:

Section 1. Article 43 of Chapter 58 of the General Statutes is amended by adding a new section to read:

"§ 58-43-40. Cancellation of fire insurance for buildings owned by religious organizations prohibited in certain circumstances.

(a) An insurer shall not cancel or decline to renew an insurance policy providing coverage for losses resulting from fire for a building owned by a religious organization solely because of:

- (1) A previous occurrence of arson, unless the occurrence of arson was the act of a member of the religious organization that owns the building; or
- (2) An oral or written statement directed to the religious organization or a member of the religious organization and threatening an act of arson against the religious organization.

This subsection applies only if:

- 1 (1) The religious organization reports all arson threats, arson attempts, or
2 acts of arson to the appropriate law enforcement agency within 24 hours
3 and to the insurer no later than the next business day after the threat is
4 communicated, the attempt is made, or the act occurs; and
5 (2) The members of the religious organization fully cooperate with law
6 enforcement and the insurer in any investigation of and the prosecution
7 of all offenses related to, an arson threat, an arson attempt, or an act of
8 arson.
- 9 (b) As a condition of insurance policy renewal or continuance, an insurer may
10 require that a religious organization implement all reasonable mitigation, loss control,
11 and fire control measures recommended by the local law enforcement agency, the local
12 fire department, or the insurer.
- 13 (c) As used in this section, 'religious organization' means any church,
14 ecclesiastical, or denominational organization, or any organization that meets at an
15 established physical place for worship in this State at which nonprofit religious services
16 and activities are regularly conducted.
- 17 (d) The Commissioner may revoke, suspend, or refuse to renew the license of any
18 insurer that violates this section pursuant to G.S. 58-3-100."
- 19 Section 2. This act becomes effective October 1, 1997, and applies to
20 insurance policies issued or renewed on or after January 1, 1998. This act expires
21 January 1, 2000.