

INSURANCE LAW INFORMATION

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MOST COMMON NC INSURANCE-RELATED REFERRAL NOS.

- I. For insurance-related issues involving auto, homeowners/renters, liability, life/annuities, disability, Medicare supplement, long-term care, dental, vision, hospital, accident and specified disease coverages:

NC Department of Insurance
Consumer Services
1 (855) 408-1212 (toll free)
<https://www.ncdoi.com/consumer/Default.aspx> (web)

- II. For Health Insurance coverage by an individual health plan, a group health or a self-funded health benefit plan:

Health Insurance Smart, NC
1 (855) 408-1212 (toll free)
(919) 807-6865 (fax)
http://www.ncdoi.com/Consumer/Health/Smart_NC.aspx (web)

- III. For Medicare-related questions (usually involving seniors) covered by Medicare, Medicare supplements, Medicare Advantage, Medicare Part D, and long-term care insurance:

Seniors' Health Insurance Information Program (SHIIP)
1 (855) 408-1212
<https://www.ncdoi.com/shiip/> (web)

- IV. CATCH-ALL FOR ALL INSURANCE ISSUES

NC Bar Association Lawyer Referral Service
1 (800) 662-7660 (toll free)
LRS@ncbar.org (email)
<https://www.ncbar.org/members/lawyer-referral-service/> (web)

This is a public service sponsored by our Bar Association to connect **paying** clients with lawyers. **NOTE:** Attorneys participating in the program agree to charge no more than \$50 for up to a 30-minute initial consultation.

[You can access this referral service online by Googling NC “Find-a-Lawyer”]

BRIEF BULLET POINTS ON INSURANCE

I. General Tips

- Always get a complete copy of policy paperwork if possible (and keep it).
- Never let policy deadlines run, including deadlines for requesting a review of a decision or for providing completed forms.
- Ask your agent for advice/information/assistance as a first step in your inquiry on how the procedure works to get a claim paid.
- Keep good notes/records of oral/written/email communications.
- Take lots of pictures/videos if losses are visible.
- Keep names, addresses, phone numbers of witnesses.
- Keep all relevant receipts/invoice documentation.
- You can hire a licensed independent “Public Adjuster” to help you with a property damage claim, but they will usually charge a percentage of your recovery as a fee. That percentage can be negotiated with them before you agree to hire such a person. Their conduct is regulated by North Carolina laws.

II. Involuntary Cancellation of Policies

- If you can pay late to reinstate and preserve coverage – don’t miss the window to do that unless you have obtained replacement coverage.
- Ask for all applicable dates and supporting documentation from the person claiming that the policy has been cancelled.
- Compare their information with your records if cancellation involves timing or sufficiency of premium payment.
- Some policies, such as auto, homeowners and life, have statutory restrictions on when and how some types of coverage can be cancelled mid-term.
- There are separate rules for cancellations involving premium financing companies.

III. Auto Coverage –

https://www.ncdoi.com/publications/consumer%20guide%20to%20automobile%20insurance_cau1.pdf

- Must have liability coverage of at least \$30,000 per person/60,000 for total bodily injury, \$25,000 for property damage and uninsured motorist (UM) limits of \$30,000/\$60,000.

Special Thanks to the NCBA Insurance Law Section for their help in preparing this guide.

Probably have underinsured motorist (UIM) limits of like amounts to liability coverage although one can purchase higher or lesser limits of UM (but not less than \$30,000/\$60,000) and UIM. [UIM is not available on minimum limits policies.]

- UM and UIM policies can be stacked or added together in some situations.
- Might have: collision/comprehensive (damage to your own auto), rental and/or MedPay (medical treatment coverage for occupants - regardless of fault). “Full coverage” in industry language does not include medical payments coverage (MPC) or rental coverage.
- Out-of-state policies have different limits/rules, although if the collision occurred in NC the policy might have language in it that boosts the coverage to NC minimum limits.
- Must be in lawful possession of a vehicle to trigger any coverage.
- Must have a reasonable belief you are entitled to use a vehicle to trigger full coverage.
- A policy does not cover liability for vehicles you own that are not listed on that particular policy, unless you just recently bought the vehicle and did not list it on another policy.
- Complaint relating to safe driver insurance plan points assessed by an insurer/underwriter – you can ask for a hearing through the NC Rate Bureau to challenge the points.
- Filing a UM/UIM or MPC claim may not affect one’s insurance rates.
- The insurance adjuster for your insurance cannot represent you in a claim against the other driver for injuries or property damage.
- The “at fault” driver’s insurance adjuster represents the “at fault” driver not the person making the claim against the “at fault” driver.
- If one signs a release of the “at fault” driver then it releases any claim for UIM coverage. There are very specific steps which must be followed otherwise one can inadvertently relinquish a UIM claim.

IV. Homeowners Coverage –

https://www.ncdoi.com/Publications/Consumer%20Guide%20to%20Homeowners%20Insurance_CHO1.pdf

- Usually has separate limits for damage/loss to the insured structure and for personal possessions.
- Usually has deductibles.
- Need to promptly fill out Proof of Loss forms when provided by the insurer.
- Need to give prompt notice of loss to the agent/insurer, and don’t throw destroyed items out until the insurer has the opportunity to examine them first.
- Does not substitute for flood insurance.
- You may be able to buy renter’s insurance if you don’t own a residence.
- Has some liability coverage for some claims, but need to check specific policy language.

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- Mortgage lender is also covered and will want to be protected/involved in an insured loss to the structure.
- Can collect (only) your interest in a residence if the other spouse intentionally sets fire to it – so long as you are not involved in the destruction.
- Typically have notice requirement that requires insured to inform insurance company within 180 days of the loss that the insured is exercising right to replacement versus actual cash value.
- It is important to request certified copy of your policy as soon as you have a claim and read it to comply with the provisions. In fire loss claims the policy may have been lost in the fire.

V. Life Insurance –

http://www.ncdoi.com/_publications/consumer%20guide%20to%20life%20insurance_cli1.pdf

- Governed by law of state where policy owner lived or where the contract was entered when policy was issued. However, if bad faith or unfair deceptive trade practice claim, there are different rules.
- People with standing to sue are owners of the policy, current or alleged beneficiaries, and probably the Estate of the person whose life was insured.
- May be a grace period in which to make a missed premium payment.
- North Carolina has statutory notice provisions which must be followed before most life insurance policies may be forfeited or lapsed due to non-payment of premium.
- North Carolina has 2-year incontestability for material misrepresentations; excludes suicide within 2 years of policy issuance.
- Some policies bar coverage for alcohol/drug/crime-related causes of death.
- Policies obtained through work likely will be governed by federal ERISA law.
- Cannot insure peoples' lives without their consent.

VI. Health Insurance

- Don't ever let deadlines run for filing an internal appeal from an adverse coverage decision by the policy administrator.
- Most of these policies are governed by Federal ERISA law if the coverage is provided through a group policy at work. This is a complex area of the law.
- Always get your important information, such as a doctor's written opinion on the medical necessity of the treatment, into the hands of the insurer – so the doctor's own written records are in the physical file of the insurer/administrator for later review.
- If it's a private policy or completely insured plan through your place of employment, likely coverage by State law.
- If the plan is through a governmental agency (Medicare, Medicaid, Tri-care) or employment through a governmental agency (US, State, or local entity), then each has its own set of rules.

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