

11 NCAC 12 .0605 DUTIES OF PRODUCERS

- (a) A producer who initiates an application shall submit to the insurer, with or as part of the application, a statement signed by both the applicant and the producer as to whether the applicant has existing policies or contracts. Electronic capture of signature is acceptable in accordance with The Uniform Electronic Transactions Act, G.S. 66, Article 40. If the answer is "no," the producer's duties with respect to replacement are complete.
- (b) If the applicant answered "yes" to the question regarding existing coverage referred to in Paragraph (a) of this Rule, the producer shall present and read to the applicant, not later than at the time of taking the application, a notice regarding replacements in the format required by 11 NCAC 12 .0611. The notice shall be signed by both the applicant and the producer attesting that the notice has been read aloud by the producer or that the applicant did not wish the notice to be read aloud (in which case the producer need not have read the notice aloud) and left with the applicant. If the notice and any required signatures are captured electronically, the notice shall be delivered to the applicant within two business days of receipt by the home office of the insurer.
- (c) The notice shall list all life insurance policies or annuities proposed to be replaced, identified by name of insurer, the insured or annuitant, and policy or contract number if available; and shall include a statement as to whether each policy or contract will be replaced or whether a policy will be used as a source of financing for the new policy or contract. If a policy or contract number has not been issued by the existing insurer, alternative identification, such as an application or receipt number, shall be listed.
- (d) In connection with a replacement transaction, the producer shall leave with the applicant at the time an application for a new policy or contract is completed the original or a copy of all sales material. With respect to electronically presented sales material, it shall be provided to the policy or contract owner in printed form no later than at the time of policy or contract delivery.
- (e) Except as provided in 11 NCAC 12 .0612(c), in connection with a replacement transaction the producer shall submit to the insurer to which an application for a policy or contract is presented, a copy of each document required by this Section, a statement identifying any preprinted or electronically presented company approved sales materials used, and copies of any individualized sales materials, including any illustrations related to the specific policy or contract purchased.

*History Note: Authority G.S. 58-2-40; 58-3-115; 58-58-1; 58-58-40;
Eff. October 1, 1985;
Amended Eff. August 1, 2004; October 1, 1989;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. May 1, 2018.*