

**11 NCAC 12 .0606            DUTIES OF THE EXISTING INSURER**

Where a replacement is involved in the transaction, the existing insurer shall:

- (1) Retain and be able to produce all replacement notifications received, indexed by replacing insurer, for at least five years or until the conclusion of the next regular examination conducted by the Insurance Department of its state of domicile, whichever is later.
- (2) Send a letter to the policy or contract owner of the right to receive information regarding the existing policy or contract values including, if available, an in force illustration. If an in force illustration cannot be produced within five business days after receipt of a notice that an existing policy or contract is being replaced, the insurer shall provide a policy summary. The information shall be provided within five business days after receipt of the request from the policy or contract owner.
- (3) Upon receipt of a request to borrow, surrender or withdraw any policy values, send a notice advising the policy owner that the release of policy values may affect the guaranteed elements, non-guaranteed elements, face amount or surrender value of the policy from which the values are released. The notice shall be sent separate from the check if the check is sent to anyone other than the policy owner. When consecutive automatic premium loans are made, the insurer is only required to send the notice at the time of the first loan.

*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;  
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. May 1, 2018.*