11 NCAC 04 .0316 CONTESTABILITY CLAUSE AND RESCISSION

If an insurer does not attempt to rescind an accident, health, or disability policy upon becoming aware that the insured's application contained false statements, the insurer may not subsequently use such false statements as a basis for attempted rescission or alteration of the policy. The Commissioner shall consider failure to adhere to this principle an unfair trade practice pursuant to G.S. 58-63-15.

History Note: *Authority G.S. 58-2-40; 58-63-40; 58-65-1; 58-63-15; 58-65-40;*
Eff. December 15, 1979;
Readopted Eff. December 1, 2021.