

§ 58-39-25. Notice of insurance information practices.

(a) An insurance institution or agent shall provide a notice of information practices to all applicants or policyholders in connection with insurance transactions as provided in this section:

- (1) In the case of an application for insurance a notice shall be provided no later than:
 - a. At the time of the delivery of the insurance policy or certificate when personal information is collected only from the applicant or from public records; or
 - b. At the time the collection of personal information is initiated when personal information is collected from a source other than the applicant or public records;
- (2) In the case of a policy renewal, a notice shall be provided no later than the policy renewal date, except that no notice shall be required in connection with a policy renewal if:
 - a. Personal information is collected only from the policyholder or from public records; or
 - b. A notice meeting the requirements of this section has been given within the previous 24 months; or
- (3) In the case of a policy reinstatement or change in insurance benefits, a notice shall be provided no later than the time a request for a policy reinstatement or change in insurance benefits is received by the insurance institution, except that no notice shall be required if personal information is collected only from the policyholder or from public records.

(b) The notice required by subsection (a) of this section shall be in writing and shall state:

- (1) Whether personal information may be collected from persons other than the individual or individuals proposed for coverage;
- (2) The types of personal information that may be collected and the types of sources and investigative techniques that may be used to collect such information;
- (3) The types of disclosures identified in subsections (2), (3), (4), (5), (6), (9), (11), (12), and (14) of G.S. 58-39-75 and the circumstances under which such disclosures may be made without prior authorization: Provided, however, only those circumstances need be described that occur with such frequency as to indicate a general business practice;
- (4) A description of the rights established under G.S. 58-39-45 and 58-39-50 and the manner in which such rights may be exercised; and
- (5) That information obtained from a report prepared by an insurance-support organization may be retained by the insurance-support organization and disclosed to other persons.

(c) In lieu of the notice prescribed in subsection (b) of this section, the insurance institution or agent may provide an abbreviated notice informing the applicant or policyholder that:

- (1) Personal information may be collected from persons other than the individual or individuals proposed for coverage;
- (2) Such information, as well as other personal or privileged information subsequently collected by the insurance institution or agent, in certain circumstances, may be disclosed to third parties without authorization;

- (3) A right of access and correction exists with respect to all personal information collected; and
 - (4) The notice prescribed in subsection (b) of this section will be furnished to the applicant or policyholder upon request.
- (d) The obligations imposed by this section upon an insurance institution or agent may be satisfied by another insurance institution or agent authorized to act on its behalf. (1981, c. 846, s. 1; 2003-262, s. 2(1).)