

NORTH CAROLINA GENERAL ASSEMBLY
1977 SESSION

CHAPTER 395
HOUSE BILL 944

AN ACT CONCERNING PAYMENT OF INTEREST ON LIFE INSURANCE DEATH
BENEFITS FROM DATE OF DEATH TO DATE OF PAYMENT TO BENEFICIARY.

The General Assembly of North Carolina enacts:

Section 1. Article 22, Chapter 58 of the General Statutes of North Carolina as the same appears in 1974 Replacement Volume 2B and 1975 Cumulative Supplement to Volume 2B is hereby amended by adding thereto a new section to read as follows:

"§ 58-205.3. **Interest payments on death benefits.** — (a) Each insurer admitted to transact life insurance in this State which, without the written consent of the beneficiary, fails or refuses to pay the death proceeds or death benefits in accordance with the terms of any policy of life or accident insurance issued by it in this State within 30 days after receipt of satisfactory proof of loss because of the death, whether accidental or otherwise, of the insured shall pay interest, at a rate not less than the then current rate of interest on death proceeds left on deposit with the insurer computed from the date of the insured's death, on any monies payable and unpaid after the expiration of such 30-day period.

(b) Within the meaning of this section, payment of proceeds or benefits shall be deemed to have been made on the date upon which a check, draft or other valid instrument equivalent to the payment of money was placed in the United States mails in a properly addressed, postpaid envelope, or, if not so posted, on the date of delivery of such instrument to the beneficiary.

(c) Nothing contained herein shall be construed to allow any insurer admitted to transact life insurance in this State to withhold payment of money payable under a life or accident insurance policy issued in this State to any beneficiary for a period longer than reasonably necessary to determine whether benefits are payable and thereafter to transmit such payment.

(d) This act shall not apply to policies of insurance issued prior to the effective date of this act to the extent that such policies contain specific provisions in conflict with this act."

Sec. 2. This act shall become effective 90 days after ratification.

In the General Assembly read three times and ratified, this the 16th day of May, 1977.