

.1204 Prohibited Policy Provisions

Policy forms will be disapproved if they contain any of the following kind of policy provisions:

- (1) a provision that the application is a consideration of coverage; unless the application is physically attached to the policy;
- (2) a provision that the rules or bylaws of the company are a part of the contract; unless such rules or bylaws are actually written into or physically attached to the policy;
- (3) a provision that a portion of the premium becomes due and payable only after the occurrence of a loss, for example, a premium retention policy;
- (4) a provision in a liability policy that relieves the company of liability on account of insolvency of the insured;
- (5) a provision that knowledge of the agent is not binding on the company;
- (6) a provision purporting to limit to less than three years any suit on the contract by the policyholder.

Authority: N. C. Administrative Code Title 11: Chapter 10 .1204