GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025

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# HOUSE BILL 81
## Committee Substitute Favorable 3/20/25

Short Title: Restrict Use of Vehicle Telematics. (Public)

Sponsors:

Referred to:

February 11, 2025

A BILL TO BE ENTITLED

AN ACT REQUIRING NOTICE AND CONSENT BEFORE AN INSURANCE INSTITUTION OR AGENT MAY USE VEHICLE TELEMATICS.

The General Assembly of North Carolina enacts:

**SECTION 1.** Article 39 of Chapter 58 of the General Statutes is amended by adding a new section to read:

"**§ 58-39-33. Use of vehicle telematics.**

(a) Notice and Consent Required. – An insurance institution or agent shall not collect, receive, sell, share, or otherwise use vehicle telematics regarding an applicant or policyholder without first doing all of the following:

(1) Notifying the applicant or policyholder how the vehicle telematics will be used.

(2) Obtaining the consent of the applicant or policyholder in writing.

(3) Notifying the applicant or policyholder that consent may be revoked at any time.

(b) Revocation of Consent. – Any applicant or policyholder providing consent pursuant to this section may revoke consent at any time. An insurance institution or agent collecting, receiving, selling, sharing, or otherwise using vehicle telematics shall (i) provide an applicant or policyholder with reasonable means to communicate revocation of consent and (ii) effectuate the revocation of consent within 24 hours of its communication.

(c) Penalty. – A violation of this section constitutes both an unfair trade practice under Article 63 of this Chapter and an unfair and deceptive trade practice under G.S. 75-1.1."

**SECTION 2.** G.S. 58-39-15 reads as rewritten:

"**§ 58-39-15. Definitions.**

As used in this Article:

(1) ~~"Adverse underwriting decision" means:~~Adverse underwriting decision. –

a. Any of the following actions with respect to insurance transactions involving insurance coverage that is individually underwritten:

1. A declination of insurance ~~coverage;~~coverage.

2. A termination of insurance ~~coverage;~~coverage.

3. Failure of an agent to apply for insurance coverage with a specific insurance institution that an agent represents and that is requested by an ~~applicant;~~applicant.

4. In the case of a property or casualty insurance coverage:

I. Placement by an insurance institution or agent of a risk with a residual market mechanism, an unauthorized

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insurer, or an insurance institution that specializes in substandard risks; or

II. The charging of a higher rate on the basis of information that differs from that which the applicant or policyholder ~~furnished; or~~furnished.

5. In the case of a life, health, or disability insurance coverage, an offer to insure at higher than standard rates.

b. Notwithstanding subdivision (1)a. of this section, none of the following actions shall ~~not~~ be considered adverse underwriting decisions, but the insurance institution or agent responsible for their occurrence shall nevertheless provide the applicant or policyholder with the specific reason or reasons for their occurrence:

1. The termination of an individual policy form on a class or statewide ~~basis;~~basis.

2. A declination of insurance coverage solely because such coverage is not available on a class or statewide ~~basis; or~~basis.

3. The rescission of a policy.

(2) ~~"Affiliate" or "affiliated" means a~~ Affiliate or affiliated. – A person that directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with another person.

(3) ~~"Agent" has~~ Agent. – Agent has the meaning as set forth in G.S. 58-33-10, and includes limited representatives, limited line credit insurance producers, limited lines producers, insurance producers, and surplus lines licensees.

(4) ~~"Applicant" means any~~ Applicant. – Any person who seeks to contract for insurance coverage other than a person seeking group insurance that is not individually underwritten.

(5) ~~"Consumer report" means any~~ Consumer report. – Any written, oral, or other communication of information bearing on a natural person's credit worthiness, credit standing, credit capacity, character, general reputation, personal characteristics, or mode of living that is used or expected to be used in connection with an insurance transaction.

(6) ~~"Consumer reporting agency" means any~~ Consumer reporting agency. – Any person ~~who:~~who does all of the following:

a. Regularly engages, in whole or in part, in the practice of assembling or preparing consumer reports for a monetary ~~fee;~~fee.

b. Obtains information primarily from sources other than insurance ~~institutions; and~~institutions.

c. Furnishes consumer reports to other persons.

(7) ~~"Control," including the terms "controlled by" or "under common control with," means the~~ Control, controlled by, or under common control with. – The possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract other than a commercial contract for goods or nonmanagement services, or otherwise, unless the power is the result of an official position with or corporate office held by the person.

(8) ~~"Declination of insurance coverage" means a~~ Declination of insurance coverage. – A denial, in whole or in part, by an insurance institution or agent of requested insurance coverage.

(9) ~~"Individual" means any~~ Individual. – Any natural person ~~who:~~who is any of the following:

a. In the case of property or casualty insurance, is a past, present, or proposed named insured or certificate ~~holder;~~holder.

b. In the case of life, health, or disability insurance, is a past, present, or proposed principal insured or certificate ~~holder;~~holder.

c. Is a past, present or proposed policy ~~owner;~~owner.

d. Is a past or present ~~applicant;~~applicant.

e. Is a past or present ~~claimant;~~claimant.

f. Derived, derives, or is proposed to derive insurance coverage under an insurance policy or certificate subject to this ~~Article; or~~Article.

g. Is the subject of personal information collected or maintained by an insurance institution, agent, or insurance-support organization in connection with mortgage guaranty insurance.

(10) ~~"Institutional source" means any~~ Institutional source. – Any person or governmental entity that provides information about an individual to an agent, insurance institution, or insurance-support organization, other ~~than:~~than any of the following:

a. An ~~agent;~~agent.

b. The individual who is the subject of the ~~information; or~~information.

c. A natural person acting in a personal capacity rather than in a business or professional capacity.

(11) ~~"Insurance institution" means any~~ Insurance institution. – Any corporation, association, partnership, reciprocal exchange, inter-insurer, Lloyd's insurer, fraternal benefit society, or other person engaged in the business of insurance, including health maintenance organizations and medical, surgical, hospital, dental, and optometric service plans, governed by Articles 65 through 67 of this Chapter. "Insurance institution" shall not include agents or insurance-support organizations.

(12) ~~"Insurance-support organization" means any~~ Insurance-support organization. – Any person who regularly engages, in whole or in part, in the practice of assembling or collecting information about natural persons for the primary purpose of providing the information to an insurance institution or agent for insurance transactions, including: (i) the furnishing of consumer reports or investigative consumer reports to an insurance institution or agent for use in connection with an insurance transaction; or (ii) the collection of personal information from insurance institutions, agents, or other insurance-support organizations for the purpose of detecting or preventing fraud, material misrepresentation, or material nondisclosure in connection with insurance underwriting or insurance claim activity; provided, however, the following persons shall not be considered "insurance-support organizations" for purposes of this Article: agents, governmental institutions, insurance institutions, medical-care institutions, and medical professionals.

(13) ~~"Insurance transaction" means any~~ Insurance transaction. – Any transaction involving insurance primarily for personal, family, or household needs rather than business or professional needs that ~~entails:~~entails either of the following:

a. The determination of an individual's eligibility for an insurance coverage, benefit, or ~~payment; or~~payment.

b. The servicing of an insurance application, policy, contract, or certificate.

(14) ~~"Investigative consumer report" means a~~ Investigative consumer report. – A consumer report or portion thereof in which information about a natural person's character, general reputation, personal characteristics, or mode of

living is obtained through personal interviews with the person's neighbors, friends, associates, acquaintances, or others who may have knowledge concerning such items of information.

(15) ~~"Life insurance" includes~~ Life insurance. – Life insurance includes annuities.

(16) ~~"Medical-care institution" means any~~ Medical-care institution. – Any facility or institution that is licensed to provide health care services to natural persons, including but not limited to, hospitals, skilled nursing facilities, home-health agencies, medical clinics, rehabilitation agencies, public health agencies, or health-maintenance organizations.

(17) ~~"Medical professional" means any~~ Medical professional. – Any person licensed or certified to provide health care services to natural persons, including but not limited to, a physician, dentist, nurse, chiropractor, optometrist, physical or occupational therapist, licensed clinical social worker, clinical dietitian, clinical psychologist, pharmacist, or speech therapist.

(18) ~~"Medical-record information" means personal~~ Medical-record information. – Personal information that:

a. Relates to an individual's physical or mental condition, medical history, or medical treatment; and

b. Is obtained from a medical professional or medical-care institution, from the individual, or from the individual's spouse, parent, or legal guardian.

(19) ~~"Personal information" means any~~ Personal information. – Any individually identifiable information gathered in connection with an insurance transaction from which judgments can be made about an individual's character, habits, avocations, finances, occupation, general reputation, credit, health, or any other personal characteristics. "Personal information" includes an individual's name and address and medical-record information, but does not include privileged information.

(20) ~~"Policyholder" means any person who:~~Policyholder. – Any of the following:

a. In the case of individual property or casualty insurance, a person who is a present named ~~insured;~~insured.

b. In the case of individual life or accident and health insurance, a person who is a present policy ~~owner; or~~owner.

c. In the case of group insurance that is individually underwritten, a person who is a present group certificate holder.

(21) ~~"Pretext interview" means an~~ Pretext interview. – An interview whereby a person, in an attempt to obtain information about a natural person, performs one or more of the following acts:

a. Pretends to be someone he is ~~not;~~not.

b. Pretends to represent a person he is not in fact ~~representing;~~representing.

c. Misrepresents the true purpose of the ~~interview; or~~interview.

d. Refuses to identify himself upon request.

(22) ~~"Privileged information" means any~~ Privileged information. – Any individually identifiable information that (i) relates to a claim for insurance benefits or a civil or criminal proceeding involving an individual, and (ii) is collected in connection with or in reasonable anticipation of a claim for insurance benefits or civil or criminal proceeding involving an individual: Provided, however, information otherwise meeting the requirements of this

subsection shall nevertheless be considered personal information under this Article if it is disclosed in violation of G.S. 58-39-75.

(23) ~~"Residual market mechanism" means any~~ Residual market mechanism. – Any reinsurance facility, joint underwriting association, assigned risk plan, or other similar plan established under the laws of this State.

(24) ~~"Termination of insurance coverage" or "termination of an insurance policy" means either~~ Termination of insurance coverage or termination of an insurance policy. – Either a cancellation or nonrenewal of an insurance policy, in whole or in part, for any reason other than the failure to pay a premium as required by the policy.

(25) ~~"Unauthorized insurer" means an~~ Unauthorized insurer. – An insurance institution that has not been granted a license by the Commissioner to transact the business of insurance in this State.

(26) Vehicle telematics. – Data regarding an individual's driving habits obtained through the installation of a tracking device, application, or software into an individual's motor vehicle or mobile device that transmits the data via wireless networks."

**SECTION 3.** G.S. 14-196.3 reads as rewritten:

"**§ 14-196.3. Cyberstalking.**

(a) The following definitions apply in this section:

…

(b) It is unlawful for a person to:

…

(5) Knowingly install, place, or use an electronic tracking device without consent, or cause an electronic tracking device to be installed, placed, or used without consent, to track the location of any person. The provisions of this subdivision do not apply to the installation, placement, or use of an electronic tracking device by any of the following:

…

*l.* An insurance institution or agent that collects, receives, sells, shares, or otherwise uses vehicle telematics, as defined in G.S. 58-39-15, regarding an applicant or policyholder through the installation of a tracking device, application, or software into an individual's motor vehicle or mobile device that transmits the data via wireless networks, provided the insurance institution or agent obtains written consent in accordance with G.S. 58-39-33.

…."

**SECTION 4.** This act becomes effective October 1, 2025, and applies to contracts issued, renewed, or amended on or after that date.