

[Senate Bill 496](#), signed into law on July 7, 2022, and effective August 1, 2022 (see below the relevant section of the legislation), specifically prohibits the requesting of a replacement cost estimator (RCE) from an insurance company or their designated agent.

Violations of this law are subject to investigation and sanction by the NC Department of Insurance.

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## **PART XVI. PROHIBIT THE DISCLOSURE OF REPLACEMENT COST ESTIMATORS**

**SECTION 16.(a)** Article 3 of Chapter 58 of the General Statutes is amended by adding a new section to read:

### **"§ 58-3-137. Prohibition on provisions relating to replacement cost estimators.**

(a) No person may require an insurance company or their designated agent to provide the replacement cost estimator or other underwriting or related proprietary business information of an insurer underwriting an insurance policy covering real property, as a condition precedent or condition subsequent to the lending of money or extension of credit to be secured by real property. For purposes of this section, "proprietary business information of an insurer" means information, regardless of form or characteristics, which is owned or controlled by an insurer, or a person or an affiliated person who seeks acquisition of controlling stock in a domestic stock insurer or controlling company, and which (i) is intended to be and is treated by the insurer or the person as private in that the disclosure of the information would cause harm to the insurer, the person, or the company's business operations and that the information has not been disclosed unless disclosed pursuant to a statutory requirement, an order of a court or administrative body, or a private agreement that provides that the information will not be released to the public and (ii) is not otherwise readily ascertainable or publicly available by proper means by other persons from another source in the same configuration as requested by the office. This subsection does not apply to sales of insurance regulated under Articles 35, 57, and 58 of this Chapter or under 12 U.S.C. §§ 4901-4910.

(b) The Department of Insurance may investigate the affairs of any person to whom this section applies to determine whether such person has violated this section. If a violation of this section is found to have been committed knowingly, the person in violation shall be subject to the same procedures and penalties as provided in Articles 3 and 63 of this Chapter."

**SECTION 16.(b)** This section becomes effective August 1, 2022.