GENERAL ASSEMBLY OF NORTH CAROLINA SESSION 2009

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HOUSE DRH80251-MH-98 (03/27)

Short Title:	Insurance Licensing ChangesAB	(Public)
Sponsors:	Representatives Wray and Goforth (Primary Sponsors).	
Referred to:		

A BILL TO BE ENTITLED

2 AN ACT TO CLARIFY THE LAWS ON INSURANCE BUSINESS ENTITY LICENSES; 3 PROVIDE FOR A "STAGGERED" LICENSE SYSTEM FOR CERTAIN INSURANCE LICENSEES; TO CLARIFY THE LAW ON APPOINTMENTS OF INSURANCE 4 5 ADJUSTERS: TO PROVIDE FOR ELECTRONIC FILINGS WITH THE DEPARTMENT OF INSURANCE; AND TO CLARIFY THE LAW ON APPOINTMENT OF AGENTS 6 7 BY INSURANCE COMPANIES. 8 The General Assembly of North Carolina enacts: 9 **SECTION 1.** G.S. 58-33-26(j) reads as rewritten: 10 "(j) A business entity that sells, solicits, or negotiates insurance shall be licensed in accordance with G.S. 58-33-31(b). Every member of the partnership and every officer, director, 11 stockholder, and employee of the business entity personally engaged in this State in selling, 12 13 soliciting, or negotiating policies of insurance shall qualify as an individual licensee. A 14 business entity license shall expire on April 1 March 31 of each year unless the business entity 15 pays the renewal fee." 16 SECTION 2. G.S. 58-33-125(h) reads as rewritten: 17 Fees paid by an insurer on behalf of a person who is licensed or appointed to "(h) represent the insurer are payable to the Commissioner when billed. Billing of insurers for 18 19 renewal fees must be on an annual basis. The frequency for billing insurers for other licensing 20 and appointment fees is determined by the Commissioner and may be daily, monthly, or quarterly. shall be remitted in a manner prescribed by the Commissioner at the point of the 21 transaction or on a monthly or quarterly basis in the discretion of the Commissioner. An 22 23 electronic payment made through the NAIC or an affiliate of NAIC is considered a payment to 24 the Commissioner." 25 **SECTION 3.** G.S. 58-33-125 is amended by adding a new subsection to read: The Commissioner may establish a staggered system in which the annual renewal 26 "(i) 27 fee prescribed by subsection (a) of this section for broker, adjuster, motor vehicle damage 28 appraiser, and viatical settlement broker licenses are remitted on a biennial basis, based on the month and year of birth of each individual licensee. The Commissioner may establish for all 29 30 other licenses "staggered" license renewal dates that will apportion renewals throughout each calendar year. The Commissioner is not required to print licenses for the purpose of renewing 31 licenses. License renewal fees shall be paid by the licensee in a manner prescribed by the 32 33 Commissioner in accordance with the license renewal schedule established by the Commissioner under this subsection." 34



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1	SECTION 4. Article 33 of Chapter 58 of the General Statutes	is amended by
2	adding a new section to read:	•
3	"§ 58-33-41. Appointment of adjusters.	
4	(a) No individual who holds a valid insurance adjuster's license	issued by the
5	Commissioner shall, investigate or report to the adjuster's principal concernin	g claims arising
6	under insurance contracts other than life, health, or annuity, or otherwise act as	s an adjuster for
7	an insurer by which the individual has not been appointed.	
8	(b) Any insurer authorized to transact business in this State may appoint	nt as its adjuster
9	any individual who holds a valid adjuster's license issued by the Commissi	oner. Upon the
10	appointment, the individual shall be authorized to act as an adjuster for the ap	
11	for all kinds of insurance for which the insurer is authorized in this State an	d for which the
12	appointed adjuster is licensed in this State, unless specifically limited.	
13	(c) Within 30 days the insurer shall file in a form prescribed by the Com	
14	names, addresses, and other information required by the Commissioner for its ne	ewly appointed
15	adjusters.	
16	(d) Every insurer shall remit in a manner prescribed by the Commission	<u>er the</u>
17	appointment fee specified in G.S. 58-33-125 for each appointed adjuster.	
18	(e) An appointment shall continue in effect as long as the appointed adju	
19	licensed and the appointing insurer is authorized to transact business in this Stat	e, unless the
20	appointment is cancelled.	
21	(f) Before April 1 of each year, every insurer shall remit in a manner pro	escribed by the
22	Commissioner the renewal appointment fee specified in G.S. 58-33-125."	
23	SECTION 5. Article 2 of Chapter 58 of the General Statutes is amo	ended by adding
24	a new section to read:	
25	" <u>§ 58-2-250. Electronic filings.</u>	
26 27	(a) <u>As used in this section:</u> (1) "Commissioner's designee" includes the National Insu	range Dreduger
28	(1) <u>"Commissioner's designee" includes the National Insur</u> Registry of the NAIC.	ance Floudel
28 29	(2) "License" includes any license, certificate, registration, o	r permit issued
30	under this Chapter.	<u>i permit issued</u>
31	(3) "Licensee" means any person who holds a license.	
32	(b) Notwithstanding any other provision of this Chapter, the Commissi	oner may adopt
33	rules that require an applicant for a license or a licensee to file documents ele	
34	the Commissioner or the Commissioner's designee. The rules adopted under the	•
35	contain procedures for the electronic payment of any fee required under this	
36	electronic filing of documents, including:	<u></u>
37	(1) Any document required as part of an application for a lic	ense under this
38	<u>Chapter.</u>	
39	(2) Any document required to be filed by an applicant for a licer	nse or a licensee
40	to maintain the license in good standing.	
41	(3) Any other document required or permitted to be filed.	
42	(c) The Commissioner or the Commissioner's designee may charge an	n administrative
43	fee for electronic filing. Fees charged for the processing of an electronic filing a	re in addition to
44	any other fee imposed for the filing. Fees charged for an electronic filing an	
45	actual cost of the electronic transaction.	
46	(d) This section does not supersede any other provision of law the	at requires the
47	electronic filing of a document or requires an applicant for a license or a license	see to make any
48	other filing electronically."	-
49	SECTION 6. G.S. 58-33-40(b) reads as rewritten:	
50	"(b) Any insurer authorized to transact business in this State may appoint	U I
51	individual who holds a valid agent's license issued by the Commission	ner. Upon the

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appointment, the individual shall be authorized to act as an agent for the appointing insurer for <u>all_the</u> kinds of insurance for which the insurer is authorized in this State and for which the appointed agent is licensed in this State, unless specifically limited. For purposes of <u>determining the number of appointments for an agent, there shall be one appointment for each</u> <u>kind of insurance for which the appointed agent is licensed in this State, unless specifically</u> <u>limited</u> "

- 6 <u>limited.</u>" 7
 - **SECTION 7.** This act is effective when it becomes law.