

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2009

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HOUSE BILL 1159

Short Title: Insurance Licensing Changes.-AB

(Public)

Sponsors: Representatives Wray and Goforth (Primary Sponsors).

Referred to: Insurance, if favorable, Finance.

April 8, 2009

A BILL TO BE ENTITLED

AN ACT TO CLARIFY THE LAWS ON INSURANCE BUSINESS ENTITY LICENSES;
PROVIDE FOR A "STAGGERED" LICENSE SYSTEM FOR CERTAIN INSURANCE
LICENSEES; TO CLARIFY THE LAW ON APPOINTMENTS OF INSURANCE
ADJUSTERS; TO PROVIDE FOR ELECTRONIC FILINGS WITH THE DEPARTMENT
OF INSURANCE; AND TO CLARIFY THE LAW ON APPOINTMENT OF AGENTS
BY INSURANCE COMPANIES.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 58-33-26(j) reads as rewritten:

"(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, stockholder, and employee of the business entity personally engaged in this State in selling, soliciting, or negotiating policies of insurance shall qualify as an individual licensee. A business entity license shall expire on ~~April 1~~ March 31 of each year unless the business entity pays the renewal fee."

SECTION 2. G.S. 58-33-125(h) reads as rewritten:

"(h) Fees paid by an insurer on behalf of a person who is licensed or appointed to represent the insurer ~~are payable to the Commissioner when billed. Billing of insurers for renewal fees must be on an annual basis. The frequency for billing insurers for other licensing 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 transaction or on a monthly or quarterly basis in the discretion of the Commissioner. An electronic payment made through the NAIC or an affiliate of NAIC is considered a payment to the Commissioner."

SECTION 3. G.S. 58-33-125 is amended by adding a new subsection to read:

"(i) The Commissioner may establish a staggered system in which the annual renewal fee prescribed by subsection (a) of this section for broker, adjuster, motor vehicle damage 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 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 licenses. License renewal fees shall be paid by the licensee in a manner prescribed by the Commissioner in accordance with the license renewal schedule established by the Commissioner under this subsection."

SECTION 4. Article 33 of Chapter 58 of the General Statutes is amended by adding a new section to read:



1 **"§ 58-33-41. Appointment of adjusters.**

2 (a) No individual who holds a valid insurance adjuster's license issued by the
3 Commissioner shall, investigate or report to the adjuster's principal concerning claims arising
4 under insurance contracts other than life, health, or annuity, or otherwise act as an adjuster for
5 an insurer by which the individual has not been appointed.

6 (b) Any insurer authorized to transact business in this State may appoint as its adjuster
7 any individual who holds a valid adjuster's license issued by the Commissioner. Upon the
8 appointment, the individual shall be authorized to act as an adjuster for the appointing insurer
9 for all kinds of insurance for which the insurer is authorized in this State and for which the
10 appointed adjuster is licensed in this State, unless specifically limited.

11 (c) Within 30 days the insurer shall file in a form prescribed by the Commissioner the
12 names, addresses, and other information required by the Commissioner for its newly appointed
13 adjusters.

14 (d) Every insurer shall remit in a manner prescribed by the Commissioner the
15 appointment fee specified in G.S. 58-33-125 for each appointed adjuster.

16 (e) An appointment shall continue in effect as long as the appointed adjuster is properly
17 licensed and the appointing insurer is authorized to transact business in this State, unless the
18 appointment is cancelled.

19 (f) Before April 1 of each year, every insurer shall remit in a manner prescribed by the
20 Commissioner the renewal appointment fee specified in G.S. 58-33-125."

21 **SECTION 5.** Article 2 of Chapter 58 of the General Statutes is amended by adding
22 a new section to read:

23 **"§ 58-2-250. Electronic filings.**

24 (a) As used in this section:

25 (1) "Commissioner's designee" includes the National Insurance Producer
26 Registry of the NAIC.

27 (2) "License" includes any license, certificate, registration, or permit issued
28 under this Chapter.

29 (3) "Licensee" means any person who holds a license.

30 (b) Notwithstanding any other provision of this Chapter, the Commissioner may adopt
31 rules that require an applicant for a license or a licensee to file documents electronically with
32 the Commissioner or the Commissioner's designee. The rules adopted under this section may
33 contain procedures for the electronic payment of any fee required under this Chapter and the
34 electronic filing of documents, including:

35 (1) Any document required as part of an application for a license under this
36 Chapter.

37 (2) Any document required to be filed by an applicant for a license or a licensee
38 to maintain the license in good standing.

39 (3) Any other document required or permitted to be filed.

40 (c) The Commissioner or the Commissioner's designee may charge an administrative
41 fee for electronic filing. Fees charged for the processing of an electronic filing are in addition to
42 any other fee imposed for the filing. Fees charged for an electronic filing are limited to the
43 actual cost of the electronic transaction.

44 (d) This section does not supersede any other provision of law that requires the
45 electronic filing of a document or requires an applicant for a license or a licensee to make any
46 other filing electronically."

47 **SECTION 6.** G.S. 58-33-40(b) reads as rewritten:

48 "(b) Any insurer authorized to transact business in this State may appoint as its agent any
49 individual who holds a valid agent's license issued by the Commissioner. Upon the
50 appointment, the individual shall be authorized to act as an agent for the appointing insurer for
51 ~~all~~ the kinds of insurance for which the insurer is authorized in this State and for which the

1 appointed agent is licensed in this State, unless specifically limited. For purposes of
2 determining the number of appointments for an agent, there shall be one appointment for each
3 kind of insurance for which the appointed agent is licensed in this State, unless specifically
4 limited."

5 **SECTION 7.** This act is effective when it becomes law.