

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2009

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HOUSE BILL 1159
Committee Substitute Favorable 4/20/09

Short Title: Insurance Licensing Changes.-AB

(Public)

Sponsors:

Referred to:

April 8, 2009

1 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
4 LICENSEES; TO CLARIFY THE LAW ON APPOINTMENTS OF INSURANCE
5 ADJUSTERS; TO PROVIDE FOR ELECTRONIC FILINGS WITH THE DEPARTMENT
6 OF INSURANCE; AND TO CLARIFY THE LAW ON APPOINTMENT OF AGENTS
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
11 accordance with G.S. 58-33-31(b). Every member of the partnership and every officer, director,
12 stockholder, and employee of the business entity personally engaged in this State in selling,
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 is amended by adding a new subsection to read:

17 "(i) The Commissioner may establish a staggered system in which the annual renewal
18 fee prescribed by subsection (a) of this section for broker, adjuster, motor vehicle damage
19 appraiser, viatical settlement broker, and surplus line (individual) licenses are remitted on a
20 biennial basis, based on the month and year of birth of each individual licensee. The
21 Commissioner may establish for all other licenses "staggered" license renewal dates that will
22 apportion renewals throughout each calendar year. The Commissioner is not required to print
23 licenses for the purpose of renewing licenses. License renewal fees shall be paid by the licensee
24 in a manner prescribed by the Commissioner in accordance with the license renewal schedule
25 established by the Commissioner under this subsection."

26 **SECTION 3.** Article 33 of Chapter 58 of the General Statutes is amended by
27 adding a new section to read:

28 "**§ 58-33-41. Appointment of adjusters.**

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

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



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

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

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

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

11 **SECTION 4.** Article 2 of Chapter 58 of the General Statutes is amended by adding
12 a new section to read:

13 **"§ 58-2-250. Electronic filings.**

14 (a) As used in this section:

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

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

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

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

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

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

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

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

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

37 **SECTION 5.** G.S. 58-33-40(b) reads as rewritten:

38 "(b) Any insurer authorized to transact business in this State may appoint as its agent any
39 individual who holds a valid agent's license issued by the Commissioner. Upon the
40 appointment, the individual shall be authorized to act as an agent for the appointing insurer for
41 ~~all the~~ kinds of insurance for which the insurer is authorized in this State and for which the
42 appointed agent is licensed in this State, unless specifically limited. For purposes of
43 determining the number of appointments for an agent, there shall be one appointment for each
44 kind of insurance for which the appointed agent is licensed in this State, unless specifically
45 limited."

46 **SECTION 6.** This act becomes effective October 1, 2009.