

March 27, 2007

**S 1527. AMEND INSURANCE LAWS/PRODUCERS AND BAIL BONDS.** Filed 3/27/07. *TO MAKE VARIOUS CHANGES IN THE LAWS RELATING TO LICENSING OF INSURANCE PRODUCERS AND BAIL BONDSMEN; TO MAKE CHANGES IN THE FEE STRUCTURES FOR AGENTS AND ADJUSTERS; TO AUTHORIZE THE OUTSOURCING OF CERTAIN FUNCTIONS RELATING TO THE ADMINISTRATION OF CONTINUING EDUCATION AND ADMINISTRATIVE PROGRAMS; TO AMEND THE LAW OF RETURN PREMIUMS UNDER PREMIUM FINANCE ARRANGEMENTS; AND TO MAKE OTHER SUBSTANTIVE CHANGES.*

Amends GS 58-33-26(g) to delete motor club insurance from the list of licenses for which examination is not necessary. Enacts new GS 58-33-26(p) governing the interrelationship between an agent's license and an adjuster's license and makes a conforming change to GS 58-33-10(2). Amends GS 58-33-32(k) to include actions by the National Association of Securities Dealers (NASD) among the administrative actions that must be reported by an insurance producer to the Commissioner. Amends GS 58-33-46(a)(2) and (6) to include violation of NASD rules and conviction of misdemeanors involving moral turpitude, respectively, among the grounds for probations, suspension, revocation, or refusal to renew a license to sell insurance. Makes changes to the fee schedule and related provisions in GS 58-33-125.

Amends GS 58-33-130 to authorize the Commissioner of Insurance to contract directly with persons for the administration of a continuing education program for adjusters and motor vehicle damage appraisers and to authorize extensions of time or administrative fees when an adjuster or motor vehicle damage appraiser has failed to comply with continuing education requirements for good cause. Amends GS 58-33-133 to raise the course provider fee from \$1 to \$2 per credit hour per individual and impose a licensee continuing education fee of \$2 per credit hour earned. Amends GS 58-71-40(d) to authorize the Commissioner to contract directly with persons for the processing and issuance of picture identification cards for licensed bail bondsmen and runners. Makes clarifying changes to various statutory sections governing appointments of bail bondsmen and reports and notices required of bail and surety bondsmen. Amends GS 58-2-69 governing notices from licensees under GS Chapter 58 to the Commissioner of Insurance, including imposing a \$75 fee for violation of the notice requirement. Authorizes the Commissioner to contract for the provisions of services and allow the contractor to charge licensees a fee for services provided to them. Amends GS 58-35-85(5) by providing that return premiums are to be calculated on a pro-rata basis except when the contract to be cancelled is subject to a minimum premium and the contractual amount is the minimum premium. Enacts new GS 58-36-86, GS 58-40-145, and GS 58-41-61 providing that when the insured cancels a policy, return premiums are to be calculated on a pro-rata basis except when the contract to be cancelled is subject to a minimum premium and the contractual amount is the minimum premium. Applies to fees or charges due, and actions occurring on or after, January 1, 2008.

**Intro. by Clodfelter.**

GS 58

June 26, 2007

**S 1527. AMEND INSURANCE LAWS/PRODUCERS AND BAIL BONDS.** Filed 3/27/07. Senate committee substitute makes the following changes to 1st edition. Amends GS 58-33-26 as follows: (1) establishes the types of insurance for which an agent or broker may be licensed depending on whether the license was issued before or after January 1, 2008; (2) provides that the lines of authority remain applicable for license holders until the Commissioner of Insurance (Commissioner) provides replacement licenses, which will grant authority comparable to the licenses being replaced; (3) allows a person holding a license for specified kinds of insurance to sell, solicit, or negotiate only the kind of insurance for which that person is licensed (was, a property and liability insurance license does not authorize an agent to sell accident and health insurance); (4) provides that a variable life and variable annuity products license (was, a life and health insurance license) authorizes a resident agent to sell, solicit, or negotiate (was, sell) variable contracts if the agent satisfies the Commissioner that the agent has met the National Association of Securities Dealers requirements; (5) provides that an accident and health or sickness license (was, a life and health insurance license) authorizes a resident agent to sell, solicit, or negotiate (was, sell) Medicare supplement and long-term care insurances policies

provided the licensee passes a written exam and pays the registration fee; (6) deletes the provision allowing a limited representative to receive qualification for one or more licenses without taking an exam for listed types of insurance; (7) authorizes the Commissioner to issue one or more licenses without examination for limited lines insurance based on qualifications and the application procedures in the administrative rules; (8) provides that a business entity license expires on April 1 of each year unless the business entity pays the renewal fee; and (9) removes the requirement that a license state the licensee's social security number.

Amends GS 58-33-30(d) to require applicants for licenses as specified types of agents (was, as life and health agents or as property and liability agents) to complete at least 20 hours (was, 40 hours) of instruction for each license. Amends GS 58-33-125 to remove the \$50 fee for agent appointment, non-individual licenses. Amends GS 58-33-130 as follows: (1) provides that the Commissioner may adopt rules for the continuing education of all agents and brokers who are licensed to sell, solicit and negotiate the listed kinds of insurance and removes the provision that agents holding more than one license are required to complete no more than 18 credit hours per year; (2) provides that biennial (was, annual) continuing education hour requirements are determined by the Commissioner, not to exceed 24 (was, 12) credit hours and allows the Commissioner to establish a staggered system for determining the credit hour compliance period based on the licensee's date of birth; (3) removes the provision allowing the Commissioner to permit any licensee to carry over up to 75% of the required annual hours of continuing education to a subsequent calendar year; and (4) authorizes only the Commissioner (was, or an administrator) to approve continuing education courses. Amends 58-33-133 to reduce the fee paid by the course provider from the proposed \$2 back to \$1 per approved credit hour per individual and to decrease the fee paid by licensees from \$2 to \$1 per credit hour earned.

Amends GS 58-71-165 to provide that a report must be filed by an insurer appointing a surety bondsman regarding bail bonds on which the insurer is liable as of the last day (was, first day) of each calendar quarter (was, each month) showing the total amount for which the insurer is liable and requires the report to be filed on or before the 15th day following the end of each calendar quarter. Deletes the proposed amendments to GS 58-35-85(5), proposed new GS 58-36-86, proposed new GS 58-40-145, and proposed new GS 58-41-16. Makes technical and conforming changes and amends the title.

July 25, 2007

**S 1527. AMEND INSURANCE LAWS/PRODUCERS AND BAIL BONDS.** Filed 3/27/07. House committee substitute makes the following changes to 2nd edition. Requires the Commissioner of Insurance to (1) study timely and expeditious confirmation from insurers to life insurance beneficiaries of the beneficiaries' status, benefits payable, and the provision of a claim form and (2) report to the Joint Legislative Committee on Governmental Operations by April 1, 2008. Effective for life insurance contracts issued or renewed on or after October 1, 2007, provides that if S 527 passes, then GS 75-41(d) is amended to provide that the statute (contracts with automatic renewal clauses) does not apply to licensed insurers. Effective when the act becomes law, enacts new GS 143-140.1 requiring alternative designs and construction to follow the state building code. Requires the Department of Insurance Engineering Division to hear disputes between local authorities and the designer or owner-representative about alternative designs and construction and appeals by the designer or owner-representative. Requires a decision regarding an appeal to be issued within 10 business days. Makes a conforming title change.

July 26, 2007

**S 1527. AMEND INSURANCE LAWS/PRODUCERS AND BAIL BONDS.** Filed 3/27/07. House amendment makes the following changes to 3rd edition. Modifies proposed changes to GS 58-2-69 governing notices from licensees under GS Chapter 58 to the Commissioner of Insurance to reduce the proposed fee for violation of the notice requirement from \$75 to \$50.

September 4, 2007

**SL 2007-507 (S 1527). AMEND INSURANCE LAWS/PRODUCERS AND BAIL BONDS.**

*AN ACT TO MAKE VARIOUS CHANGES IN THE LAWS RELATING TO LICENSING OF INSURANCE PRODUCERS AND BAIL BONDSMEN; TO MAKE CHANGES IN THE FEE STRUCTURES FOR AGENTS AND ADJUSTERS; TO AUTHORIZE THE OUTSOURCING OF CERTAIN FUNCTIONS RELATING TO THE ADMINISTRATION OF CONTINUING EDUCATION AND ADMINISTRATIVE PROGRAMS; TO REQUIRE THE DEPARTMENT OF INSURANCE TO STUDY ISSUES RELATED TO LIFE INSURANCE BENEFICIARY NOTIFICATION; TO EXEMPT INSURERS FROM AUTOMATIC RENEWAL DISCLOSURE CLAUSE REQUIREMENTS; TO INSTITUTE A METHOD OF STREAMLINING CERTAIN APPEALS OF DISPUTES BETWEEN LOCAL INSPECTORS AND PERSONS SUBJECT TO THE STATE BUILDING CODE AND TO REQUIRE THE DEPARTMENT OF INSURANCE TO ISSUE ITS DECISION ON THESE LIMITED APPEALS WITHIN TEN BUSINESS DAYS; AND TO MAKE OTHER SUBSTANTIVE CHANGES.* Summarized in *Daily Bulletin* 3/27/07, 6/26/07, 7/25/07, and 7/26/07. Enacted August 30, 2007. Section 17 is effective October 1, 2007. Section 18 is effective August 30, 2007. The remainder is effective January 1, 2008.