

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2009

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HOUSE BILL 1159
PROPOSED COMMITTEE SUBSTITUTE H1159-PCS30309-RC-9

Short Title: Insurance Licensing Changes.-AB

(Public)

Sponsors:

Referred to:

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 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, viatical settlement broker, and surplus line (individual) 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 3. Article 33 of Chapter 58 of the General Statutes is amended by adding a new section to read:

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

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

(b) Any insurer authorized to transact business in this State may appoint as its adjuster any individual who holds a valid adjuster's license issued by the Commissioner. Upon the



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1 appointment, the individual shall be authorized to act as an adjuster for the appointing insurer
2 for all kinds of insurance for which the insurer is authorized in this State and for which the
3 appointed adjuster is licensed in this State, unless specifically limited.

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

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

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

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

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

16 **"§ 58-2-250. Electronic filings.**

17 (a) As used in this section:

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

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

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

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

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

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

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

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

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

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

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

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