

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1999

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HOUSE BILL 1699
Committee Substitute Favorable 6/7/00

Short Title: Insurance License Fees/Reciprocity/AB.

(Public)

Sponsors:

Referred to:

May 25, 2000

A BILL TO BE ENTITLED

AN ACT TO INCREASE FEES PAID BY INSURANCE LICENSE APPLICANTS; TO EQUALIZE RESIDENT AND NONRESIDENT INSURANCE BROKER LICENSE FEES; AND TO MAKE NORTH CAROLINA INSURANCE PRODUCER LICENSING LAWS COMPLY WITH THE RECIPROCITY REQUIREMENTS IN THE FEDERAL GRAMM-LEACH-BLILEY ACT, PUBLIC LAW 106-102.

The General Assembly of North Carolina enacts:

Section 1. G.S. 58-33-125 reads as rewritten:

"§ 58-33-125. Fees.

(a) The following table indicates the annual fees that are required for the respective licenses issued, renewed, or cancelled under this Article and Article 21 of this Chapter:

Adjuster	\$ 75.00	
Adjuster, crop hail only		20.00
Agent appointment cancellation (paid by insurer)		10.00
Agent appointment, individual		20.00
Agent appointment, nonindividual		50.00
Agent appointment, Medicare supplement and long-term care, individual		10.00

1	Agent appointment, Medicare supplement	
2	and long-term care, nonindividual	20.00
3	Agent, overseas military	20.00
4	Broker, nonresident	100.00
5	<u>50.00</u>	
6	Broker, resident	50.00
7	Limited representative	20.00
8	Limited representative cancellation (paid by	
9	insurer) 10.00	
10	Motor vehicle damage appraiser	75.00
11	Recertification, continuing education	5.00
12	Surplus lines licensee, corporate	50.00
13	Surplus lines licensee, individual	50.00

14 These fees are in lieu of any other license fees. Fees paid by an insurer on behalf of a
 15 person who is licensed or appointed to represent the insurer shall be paid to the
 16 Commissioner on a quarterly or monthly basis, in the discretion of the Commissioner.
 17 The recertification fee in this subsection shall be paid by persons subject to G.S. 58-33-
 18 130 at the time they renew their licenses or appointments under G.S. 58-33-130(c).

19 (b) Whenever a temporary license may be issued pursuant to this Article, the fee
 20 shall be at the same rate as provided in subsection (a) of this section; and any amounts so
 21 paid for a temporary license may be credited against the fee required for an appointment
 22 by the sponsoring company.

23 (c) Any person who is not registered-licensed and who is required by law or
 24 administrative rule to secure a license shall, upon application for ~~registration, licensing,~~
 25 pay to the Commissioner a fee of ~~thirty dollars (\$30.00)-fifty dollars (\$50.00).~~ In the event
 26 If a person requests additional licensing for other kinds of insurance is requested,
 27 insurance, that person shall pay a fee of thirty dollars (\$30.00)-fifty dollars (\$50.00) shall be
 28 paid to the Commissioner upon application for registration-licensing for each additional
 29 kind of insurance.

30 In addition to the fees prescribed by this subsection, any person applying for a
 31 supplemental license to sell Medicare supplement and long-term care insurance policies
 32 shall pay an additional fee of thirty dollars (\$30.00) upon application for registration for
 33 those kinds of insurance.

34 (d) The requirement for an examination, preclicensing education, continuing
 35 education, or a registration fee does not apply to agents for domestic farmers' mutual
 36 assessment fire insurance companies or associations who solicit and sell only those kinds
 37 of insurance specified in G.S. 58-7-75(5)d for such companies or associations.

38 (e) In the event a license issued under this Article is lost, stolen, or destroyed, the
 39 Commissioner may issue a duplicate license upon a written request from the licensee and
 40 payment of a fee of five dollars (\$5.00).

41 (f) Whenever a printed record of an agent's file is requested, the fee shall be ten
 42 dollars (\$10.00) for each copy whether or not the agent is currently licensed, previously
 43 licensed, or no record of that agent exists.

1 (g) All fees prescribed by this section are nonrefundable."

2 Section 2. Article 33 of Chapter 58 of the General Statutes is amended by
3 adding a new section to read:

4 **"§ 58-33-32. Interstate reciprocity in producer licensing.**

5 (a) The purpose of this section is to make North Carolina insurance producer
6 licensing comply with the reciprocity requirements in the federal Gramm-Leach-Bliley
7 Act, Public Law 106-102. This section does not apply to surplus lines licensees in
8 Article 21 of this Chapter, except as provided in subsections (c) and (d) of this section.

9 (b) As used in this section:

10 (1) 'Home state' means the District of Columbia and any state or territory of
11 the United States in which an insurance producer maintains a principal
12 place of residence or principal place of business and is licensed to act as
13 an insurance producer.

14 (2) 'Insurance producer' or 'producer' means a person required to be
15 licensed under this Article to sell, solicit, or negotiate insurance.

16 (3) 'License' means a document issued by the Commissioner authorizing a
17 person to act as an insurance producer for the kinds of insurance
18 specified in the document. The license itself does not create any
19 authority, actual, apparent, or inherent, in the holder to represent or
20 commit to an insurance carrier.

21 (4) 'Limited line credit insurance' includes any type of credit insurance
22 written under Article 57 of this Chapter, mortgage life, mortgage
23 guaranty, mortgage disability, automobile dealer gap insurance, and any
24 other form of insurance offered in connection with an extension of
25 credit that is limited to partially or wholly extinguishing that credit
26 obligation and that the Commissioner determines should be designated a
27 form of limited line credit insurance.

28 (5) 'Limited line credit insurance producer' means a person who sells,
29 solicits, or negotiates one or more forms of limited line credit insurance
30 coverage to individuals through a master, corporate, group, or individual
31 policy.

32 (6) 'Negotiate' means the act of conferring directly with or offering advice
33 directly to a purchaser or prospective purchaser of a particular contract
34 of insurance concerning any of the substantive benefits, terms, or
35 conditions of the contract, provided that the person engaged in that act
36 either sells insurance or obtains insurance from insurers for purchasers.

37 (7) 'Sell' means to exchange a contract of insurance by any means, for
38 money or its equivalent, on behalf of an insurance company.

39 (8) 'Solicit' means attempting to sell insurance or asking or urging a person
40 to apply for a particular kind of insurance from a particular company.

41 (9) 'Uniform Application' means the most recent version of the NAIC
42 Uniform Application for resident and nonresident producer licensing.

1 (10) 'Uniform Business Entity Application' means the most recent version of
2 the NAIC Uniform Business Entity Application for a resident and a
3 nonresident corporation, association, partnership, limited liability
4 company, limited liability partnership, or other legal entity.

5 (c) Unless denied licensure under G.S. 58-33-30 or G.S. 58-33-50, a nonresident
6 person shall receive a nonresident producer license if:

7 (1) The person is currently licensed as a resident and in good standing in
8 that person's home state;

9 (2) The person has submitted the proper request for licensure and has paid
10 the fees required by G.S. 58-33-125;

11 (3) The person has submitted or transmitted to the Commissioner the
12 application for licensure that the person submitted to that person's home
13 state, or in lieu of the same, a completed Uniform Application or
14 Uniform Business Entity Application; and

15 (4) The person's home state awards nonresident producer licenses to
16 residents of this State on the same basis.

17 The Commissioner may verify the producer's licensing status through the producer
18 database maintained by the NAIC or affiliates or subsidiaries of the NAIC.

19 (d) Notwithstanding any other provision of this section, a person licensed as a
20 surplus lines producer in that person's home state shall receive a nonresident surplus lines
21 license pursuant to the provisions of this section. Except for the licensure provisions of
22 this section, nothing in this section otherwise amends or supersedes any provision of
23 Article 21 of this Chapter.

24 (e) Notwithstanding any other provision of this section, a person licensed or
25 registered as a viatical settlement broker, viatical settlement provider, or viatical
26 settlement representative, as defined in G.S. 58-58-42(a), in that person's home state shall
27 receive a nonresident viatical settlement broker, viatical settlement provider, or viatical
28 settlement representative license pursuant to this section. Except for the licensure
29 provisions of this section, nothing in this section otherwise amends or supersedes any
30 provision of G.S. 58-58-42.

31 (f) Notwithstanding any other provision of this section, a person licensed as a
32 limited line credit insurance producer or other type of insurance producer in that person's
33 home state shall receive a nonresident limited lines producer license pursuant to the
34 provisions of this section, granting the same scope of authority as granted under the
35 license issued by the producer's home state.

36 (g) An individual who applies for an insurance producer license in this State who
37 was previously licensed for the same kinds of insurance in that individual's home state
38 shall not be required to complete any prelicensing education or examination. This
39 exemption is available only if:

40 (1) The applicant is currently licensed in the applicant's home state; or

41 (2) The application is received within 90 days after the cancellation of the
42 applicant's previous license and the applicant's home state issues a

1 certification that, at the time of cancellation, the applicant was in good
2 standing in that state; or

3 (3) The home state's producer database records, maintained by the NAIC or
4 affiliates or subsidiaries of the NAIC, indicate that the producer is or
5 was licensed in good standing for the kind of insurance requested.

6 (h) The Commissioner shall not assess a greater fee for an insurance license or
7 related service to a nonresident producer based solely on the fact that the producer does
8 not reside in this State.

9 (i) The Commissioner shall waive any license application requirements for a
10 nonresident license applicant with a valid license from the applicant's home state, except
11 the requirements imposed by subsection (c) of this section, if the applicant's home state
12 awards nonresident licenses to residents of this State on the same basis.

13 (j) A nonresident producer's satisfaction of the nonresident producer's home state's
14 continuing education requirements for licensed insurance producers shall constitute
15 satisfaction of this State's continuing education requirements if the nonresident producer's
16 home state recognizes the satisfaction of its continuing education requirements imposed
17 upon producers from this State on the same basis.

18 (k) A producer shall report to the Commissioner any administrative action taken
19 against the producer in another state or by another governmental agency in this State
20 within 30 days after the final disposition of the matter. This report shall include a copy of
21 the order or consent order and other relevant legal documents.

22 (l) Within 30 days after the initial pretrial hearing date, a producer shall report to
23 the Commissioner any criminal prosecution of the producer taken in any state. The
24 report shall include a copy of the initial complaint filed, the order resulting from the
25 hearing, and any other relevant legal documents."

26 Section 3. G.S. 58-33-30(h)(2)b. reads as rewritten:

27 "b. A—Except as provided in G.S. 58-33-32, a nonresident of this
28 State may be licensed without taking an otherwise required
29 written examination if the ~~Commissioner~~—insurance regulator of
30 the state of the applicant's residence certifies that the applicant
31 has passed a similar written examination or has been a
32 continuous holder, prior to the time such written examination
33 was required, of a license like the license being applied for in this
34 State."

35 Section 4. This act becomes effective July 1, 2000.