§ 58-3-155. Business transacted with insurer-controlled brokers.
(a) As used in this section:
   (1) "Broker" means a person who, being a licensed agent, obtains insurance for
       another party through a duly authorized agent of an insurer that is licensed to
       do business in this State but for which the broker is not authorized to act as
       agent.
   (2) "Control" or "controlled" means the direct or indirect possession of the
       power to direct or cause the direction of the management and policies of a
       person, whether through the ownership of voting securities, by contract other
       than a commercial contract for goods or nonmanagement services, or
       otherwise, unless the power is the result of an official position with or a
       corporate office held by the person. Control is presumed to exist if any
       person directly or indirectly owns, controls, holds with the power to vote, or
       holds proxies representing ten percent (10%) or more of the voting securities
       of any other person.
(b) The Commissioner may determine, after furnishing all persons in interest notice and
    opportunity to be heard and making specific findings of fact to support that determination, that
    control exists in fact, notwithstanding the absence of a presumption to that effect. The
    Commissioner may determine upon application that any person does not or will not upon the
    taking of some proposed action control another person. The Commissioner may prospectively
    revoke or modify that determination, after notice and opportunity to be heard whenever in the
    Commissioner's judgment revocation or modification is consistent with this section.
(c) No licensed property or casualty insurer that has control of a broker may accept
    insurance from the broker in any transaction in which the broker, when the insurance is placed,
    is acting as such on behalf of the insured for any compensation, commission, or thing of value
    unless the broker, before the effective date of the coverage, delivers written notice to the
    prospective insured disclosing the relationship between the insurer and broker. The disclosure
    must be signed by the insured and must be retained in the insurer's underwriting file until the
    completion and release of the examination report under G.S. 58-2-131 through G.S. 58-2-134
    for the period in which the coverage is in effect. If the insurance is placed through a subbroker
    that is not a controlled broker, the controlling insurer shall retain in its records a signed
    commitment from the subbroker that the subbroker is aware of the relationship between the
    insurer and the broker and that the subbroker has notified or will notify the insured.
(d) This section does not affect the rights of policyholders, claimants, creditors, or other
    third parties. (1991, c. 681, s. 9; 1999-132, s. 11.1.)