

GENERAL ASSEMBLY OF NORTH CAROLINA
1989 SESSION

CHAPTER 657
HOUSE BILL 703

AN ACT TO PROVIDE FOR A CONTINUING EDUCATION PROGRAM FOR
INSURANCE AGENTS, BROKERS, ADJUSTERS, AND MOTOR VEHICLE
DAMAGE APPRAISERS.

The General Assembly of North Carolina enacts:

Section 1. Article 45 of Chapter 58 of the General Statutes is amended by adding two new sections to read:

"§ 58-635. Continuing education program for licensees.

(a) The Commissioner is authorized to promulgate rules to provide for a program of continuing education requirements for the purpose of enhancing the professional competence and professional responsibility of adjusters and motor vehicle damage appraisers. Such rules may include criteria for:

- (1) The content of continuing education courses;
- (2) Accreditation of continuing education sponsors and programs;
- (3) Accreditation of videotape or other audiovisual programs;
- (4) Computation of credit;
- (5) Special cases and exemptions;
- (6) General compliance procedures; and
- (7) Sanctions for noncompliance.

(b) The Commissioner is authorized to adopt rules to provide for the continuing professional education of all agents and brokers, including fraternal field marketers, but excluding limited field representatives. In promulgating such rules, the Commissioner may use the same criteria as specified in subsection (a) of this section.

(c) On and after January 1, 1992, any individual agent or broker desiring to renew an appointment or license shall offer evidence satisfactory to the Commissioner that he has complied with the continuing professional education requirements approved by the Commissioner.

(d) Annual continuing professional education hour requirements shall be determined by the Commissioner, but shall not be more than 12 credit hours.

(e) No more than seventy-five percent (75%) of the requirement relating to life or health insurance agents or brokers may be met by taking courses offered by licensed life or health insurance companies with which those agents or brokers have appointments.

(f) The Commissioner may adopt rules for waiving the requirements under this section for cases of certified physical incapacity or illness or undue hardship.

(g) The Commissioner shall permit any licensee to carry over to a subsequent calendar year up to seventy-five percent (75%) of the required annual hours of continuing professional education.

(h) Any licensee who offers evidence satisfactory to the Commissioner on forms supplied by the Commissioner that he has satisfactorily completed the required continuing professional education courses shall be deemed to have complied with this section.

(i) The Commissioner is authorized to approve continuing professional education courses.

(j) The Commissioner is authorized to establish fees to be paid to the Commissioner by licensees who are required to comply with this section or by course vendors for the purpose of offsetting the cost of additional staff and resources to administer the program authorized by this section.

"§ 58-636. Continuing education advisory committee.

(a) The Commissioner shall appoint, in accordance with G.S. 58-7.4, one advisory committee for fire and casualty insurance licensees and one advisory committee for life and health insurance licensees. The advisory committees shall recommend reasonable rules to the Commissioner for promulgation under G.S. 58-635. The Commissioner may adopt, reject, or modify such recommendations. After the promulgation of rules under G.S. 58-635, the committees may from time to time make further recommendations to the Commissioner for additional rules or changes in existing rules.

(b) The fire and casualty advisory committee shall comprise:

- (1) Two employees of the Department of Insurance;
- (2) One representative from a list of two nominees submitted by the Independent Insurance Agents of North Carolina;
- (3) One representative from a list of two nominees submitted by the Carolinas Association of Professional Insurance Agents (North Carolina Division);
- (4) One representative of a licensed property and casualty insurance company writing business in this State that operates through an exclusive agency force;
- (5) One representative from a list of two nominees submitted by the North Carolina Adjusters Association;
- (6) One representative of fire and casualty insurers from a list of two nominees submitted by the Association of North Carolina Property and Casualty Insurance Companies; and
- (7) One representative from a list of two nominees submitted by the Department of Community Colleges.

(c) The life and health advisory committee shall comprise:

- (1) Two employees of the Department of Insurance, which may be the same persons appointed under subsection (b) of this section;
- (2) One representative from a list of two nominees submitted by the North Carolina Association of Life Underwriters;

- (3) One representative of life and health insurers from a list of two nominees submitted by the Association of North Carolina Life Insurance Companies;
- (4) One representative from a list of two nominees submitted by the General Agents and Managers Conference;
- (5) One representative from a licensed medical or hospital service corporation;
- (6) One licensed health insurance agent from a list of two nominees submitted by the North Carolina Association of Health Underwriters;
- (7) One representative of a licensed life or health insurer writing business in this State that operates through an exclusive agency force;
- (8) One representative from a list of two nominees submitted by the North Carolina Fraternal Congress; and
- (9) One representative from a list of two nominees submitted by the Department of Community Colleges."

Sec. 1.1. G.S. 58-615(f)(1) reads as rewritten:

"(1) Bond. Prior to issuance of a license as a broker, the applicant shall file with the Commissioner and thereafter, for as long as the license remains in effect, shall keep in force a bond in favor of the State of North Carolina for the use of aggrieved parties in the sum of not less than fifteen thousand dollars (\$15,000), executed by an authorized corporate surety approved by the Commissioner. The aggregate liability of the surety for any and all claims on any such bond shall in no event exceed the sum thereof. The bond shall be conditioned on the accounting by the broker (i) to any person requesting the broker to obtain insurance for moneys or premiums collected in connection therewith, (ii) to any licensed insurer or agent who provides coverage for such person with respect to any such moneys or premiums, and (iii) to any premium finance company or to any association of insurers under any plan or plans for the placement of insurance under the laws of North Carolina which afforded coverage for such person with respect to any such moneys or premiums. No such bond shall be terminated unless at least 30 days' prior written notice thereof is given by the surety to the licensee and the Commissioner. Upon termination of the license for which the bond was in effect, the Commissioner shall notify the surety within 10 business days."

Sec. 2. This act is effective upon ratification.

In the General Assembly read three times and ratified this the 19th day of July, 1989.