

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1999

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SENATE BILL 1398

Short Title: Insurance License Fees/Reciprocity/AB.

(Public)

Sponsors: Senator Wellons.

Referred to: Insurance.

May 23, 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
Agent appointment, Medicare supplement		

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

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

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

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

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

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

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

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

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

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

3 **"§ 58-33-32. Interstate reciprocity in producer licensing.**

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

8 (b) As used in this section:

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

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

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

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

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

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

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

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

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

42 (10) 'Uniform Business Entity Application' means the most recent version of
43 the NAIC Uniform Business Entity Application for a resident and a

1 nonresident corporation, association, partnership, limited liability
2 company, limited liability partnership, or other legal entity.

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

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

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

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

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

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

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

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

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

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

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

39 (2) The application is received within 90 days after the cancellation of the
40 applicant's previous license and the applicant's home state issues a
41 certification that, at the time of cancellation, the applicant was in good
42 standing in that state; or

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

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

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

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

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

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

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

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

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