

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2021**

**SESSION LAW 2022-46
SENATE BILL 496**

AN ACT TO AMEND AND TO MAKE CLARIFYING CHANGES TO VARIOUS INSURANCE LAWS, AS RECOMMENDED BY THE DEPARTMENT OF INSURANCE, TO AMEND LAWS RELATED TO BROKER AND INSURANCE PRODUCER LICENSES, TO ALLOW SELF-INSURANCE TO SERVE AS PROOF OF FINANCIAL RESPONSIBILITY, TO PROHIBIT DISCLOSURE OF REPLACEMENT COST ESTIMATORS, TO REQUIRE CERTAIN APPOINTMENTS TO THE NORTH CAROLINA REINSURANCE FACILITY'S BOARD OF GOVERNORS, TO AMEND A REPORTING DATE FOR MEMBERS OF THE NORTH CAROLINA INSURANCE UNDERWRITING ASSOCIATION, TO EXEMPT CERTAIN EMPLOYMENT CONTRACTS ENTERED INTO BY THE DEPARTMENT OF INSURANCE, TO AMEND INNOVATION WAIVER EXEMPTIONS, TO REVISE INSURANCE REQUIREMENTS FOR TRANSPORTATION NETWORK COMPANIES, TO AUTHORIZE FUNDING BY THE NORTH CAROLINA GLOBAL TRANSPARK AUTHORITY, TO AMEND THE DUE DATE FOR HOME INSPECTION REPORTS, TO SHORTEN THE TIME FRAME TO RETAKE THE HOME INSPECTOR EXAMINATION, AND TO AMEND MINIMUM INSULATION REQUIREMENTS.

The General Assembly of North Carolina enacts:

PART I. HOLDING COMPANY ACT FORM FILING CHANGES

SECTION 1. G.S. 58-19-75(b) reads as rewritten:

"(b) A complete copy of each statement, including exhibits and all other papers and documents filed as a part of the statement, shall be filed with the Commissioner by ~~personal delivery or~~ mail addressed to the Commissioner and shall be signed in the manner prescribed on the form. Unsigned copies shall be conformed. If the signature of any person is affixed pursuant to a power of attorney or other similar authority, a copy of the power of attorney or other authority shall also be filed with the statement."

PART II. STANDARDIZE QUALITY LIMITATIONS FOR OBLIGATIONS

SECTION 2.(a) G.S. 58-7-170(d) reads as rewritten:

"(d) Without the Commissioner's prior written approval, the cost of investments permitted under G.S. 58-7-173 and G.S. 58-7-178, and that are classified as medium to lower quality obligations, ~~other than obligations of subsidiaries or affiliated corporations as that term is defined in G.S. 58-19-5,~~ obligations shall be limited to:

- (1) No more than twenty percent (20%) of an insurer's admitted assets;
- (2) No more than ten percent (10%) of an insurer's admitted assets in obligations designated a 4, 5, or 6 in accordance with the Purposes and Procedures Manual of the NAIC Securities Valuation Office;
- (3) No more than three percent (3%) of an insurer's admitted assets in obligations designated a 5 or 6 in accordance with the Purposes and Procedures Manual of the NAIC Securities Valuation Office; and



(4) No more than one percent (1%) of an insurer's admitted assets in obligations designated a 6 in accordance with the Purposes and Procedures Manual of the NAIC Securities Valuation Office.

(5),(6) Repealed by Session Laws 1993, c. 452, s. 11."

SECTION 2.(b) G.S. 58-19-10 reads as rewritten:

"§ 58-19-10. ~~Subsidiaries~~ Affiliates or subsidiaries of insurers.

...

(b) In addition to investments in common stock, preferred stock, debt obligations, and other securities permitted under this Chapter, a domestic insurer may also:

(1) Invest, in common stock, preferred stock, debt obligations, and other securities of one or more affiliates or subsidiaries, amounts that do not exceed the lesser of ten percent (10%) of the insurer's admitted assets or fifty percent (50%) of the insurer's policyholders' surplus, provided that after those investments, the insurer's policyholders' surplus will be reasonable in relation to the insurer's outstanding liabilities and adequate to its financial needs. In calculating the amount of the investments, investments in domestic or foreign insurance affiliates or subsidiaries and health maintenance organizations shall be excluded, and there shall be included: (i) total net monies or other consideration expended and obligations assumed in the acquisition or formation of ~~a~~an affiliate or subsidiary, including all organizational expenses and contributions to capital and surplus of the affiliate or subsidiary whether or not represented by the purchase of capital stock or issuance of other securities; and (ii) all amounts expended in acquiring additional common stock, preferred stock, debt obligations, and other securities, and all contributions to the capital or surplus, of ~~a~~an affiliate or subsidiary subsequent to its acquisition or formation;

...

(c) Investments in common stock, preferred stock, debt obligations, or other securities of subsidiaries made pursuant to subsection (b) of this section are not subject to any of the otherwise applicable restrictions or prohibitions contained in this Chapter applicable to such investments of ~~insurers~~insurers except the medium to lower quality obligation limitations under G.S. 58-7-170(d).

...."

PART III. CHANGE PEO NOTIFICATION REQUIREMENTS

SECTION 3. G.S. 58-89A-110(g) reads as rewritten:

"(g) A licensee shall, within 30 days of initiation or termination of the licensee's relationship with any client company, notify its workers' compensation ~~carrier, the Commissioner,~~carrier and the North Carolina Industrial Commission of both the initiation and termination of the relationship. If the client company terminates the relationship between the licensee and the client company, the notice required by this subsection shall be given within 10 days of the licensee's actual knowledge of the termination."

PART IV. UPDATE OTHER LAWS APPLICABLE TO HMOS

SECTION 4. G.S. 58-67-171 reads as rewritten:

"§ 58-67-171. Other laws applicable to HMOs.

The following provisions of this Chapter are applicable to HMOs that are subject to this Article are as follows:

G.S. 58-2-125..... Authority over all insurance companies; no exemptions from license.

G.S. 58-2-150..... Oath required for compliance with law.

- G.S. 58-2-155. Investigation of charges.
- G.S. 58-2-160. Reporting and investigation of insurance and reinsurance fraud and the financial condition of licensees; immunity from liability.
- G.S. 58-2-162. Embezzlement by insurance agents, brokers, or administrators.
- G.S. 58-2-185. Record of business kept by companies and agents; Commissioner may inspect.
- G.S. 58-2-190. Commissioner may require special reports.
- G.S. 58-2-195. Commissioner may require records, reports, etc., for agencies, agents, and others.
- G.S. 58-2-200. Books and papers required to be exhibited.
- G.S. 58-3-50. Companies must do business in own name; emblems, insignias, etc.
- G.S. 58-3-100(c),(e). Insurance company licensing provisions.
- G.S. 58-3-115. Twisting with respect to insurance policies; penalties.
- G.S. 58-7-21. Credit allowed a domestic ceding insurer.
- G.S. 58-7-26. Asset or reduction from liability for reinsurance ceded by a domestic insurer to an assuming insurer not meeting the requirements of G.S. 58-7-21.
- G.S. 58-7-30. Insolvent ceding insurer.
- G.S. 58-7-31. Life and health reinsurance agreements.
- G.S. 58-7-46. Notification to Commissioner for president or chief executive officer changes.
- G.S. 58-7-73. Dissolution of insurers.
- Part 7 of Article 10. Annual Financial Reporting.
- G.S. 58-50-35. Notice of nonpayment of premium required before forfeiture.
- G.S. 58-51-15(a)(2)b. Accident and health policy provisions.
- G.S. 58-51-17. Portability for accident and health insurance.
- G.S. 58-51-25. Policy coverage to continue as to children with an intellectual or physical disability or dependent students on medically necessary leave of absence.
- G.S. 58-51-35. Insurers and others to afford coverage to children with an intellectual or physical disability.
- G.S. 58-51-45. Policies to be issued to any person possessing the sickle-cell trait or hemoglobin C trait.
- G.S. 58-62. Life and Health Insurance Guaranty Association."

PART V. PREPAID HEALTH PLAN LICENSING ACT CLARIFYING CHANGE

SECTION 5. G.S. 58-93-75 reads as rewritten:

"§ 58-93-75. Continuation of health care services.

The Commissioner shall require that each PHP have a plan for handling insolvency. The plan must allow for health care services to be provided to enrollees until the PHP's ~~enrollees whose enrollment in a PHP is not voluntary are enrolled in~~ capitated contract is terminated by DHHS and all enrollees required under G.S. 108D-40 to enroll in a PHP are transitioned to another PHP.

In considering the plan, the Commissioner may require any of the following:

- (1) Insurance to cover the expenses to be paid for enrollee health care services after an insolvency.
- (2) Provisions in provider contracts that obligate the provider to provide services for the duration of the period after the PHP's insolvency until the PHP's ~~enrollees whose enrollment in a PHP is not voluntary are enrolled in~~ capitated contract is terminated by DHHS and all enrollees required under G.S. 108D-40 to enroll in a PHP are transitioned to another PHP.

- (3) Insolvency reserves.
- (4) Letters of credit acceptable to the Commissioner.
- (5) Any other arrangements to assure that health care services are provided to enrollees as specified in this section."

PART VI. PUBLIC SCHOOL INSURANCE REPORTING CHANGES

SECTION 6.(a) G.S. 115C-523.1 reads as rewritten:

"§ 115C-523.1. Duty to insure public school property.

(a) The local board of education of every local school administrative unit in the public school system of this State, in order to safeguard the investment made in public schools, shall:

- (1) Insure and keep insured to the extent of not less than eighty percent (80%) of the current insurable value, as determined by the insurer and the insured, of each of its insurable buildings against the perils embraced in broad form coverage to include fire, lightning, windstorm, hail, explosion, aircraft or vehicles, riot or civil commotion, smoke, vandalism, sprinkler leakage, sinkhole collapse, volcanic action, falling objects, weight of snow, ice or sleet, or water damage.
- (2) Insure and keep insured adequately the equipment and contents of the building.
- (3) Provide to the Commissioner of Insurance a list of all of its insurable buildings, the equipment and contents of the buildings, and their insurable values by October 1 of each year.

(b) The tax-levying authority for each local school administrative unit shall appropriate funds necessary for compliance with the provisions of subsection (a) of this section.

(c) Local boards of education may purchase insurance from companies duly licensed and authorized to sell insurance in this State or may obtain insurance in accordance with the provisions of Article 31A of Chapter 58 of the General Statutes, "State Insurance of Public Education Property." If a local board of education purchases insurance from a company duly licensed and authorized to sell insurance in this State for any insurable building, its equipment, or its contents, the local board of education shall provide the Commissioner with a copy of the policy of insurance. If the policy of insurance is cancelled, terminated, or changed for any reason, the local board of education shall notify the Commissioner within five days of the effective date of the cancellation, termination, or change.

(d) If the Commissioner of Insurance determines that any person has willfully failed to comply with the provisions of subsections ~~(a)~~-(a), (b), and ~~(b)~~-(c) of this section, the Commissioner of Insurance may order, for each separate violation, a civil penalty under the procedures in G.S. 58-2-70(d). Every 24 hours without such insurance constitutes a separate violation."

SECTION 6.(b) G.S. 115C-523.2 reads as rewritten:

"§ 115C-523.2. Flood insurance.

(a) The local board of education of every local school administrative unit in the public school system of this State, in order to safeguard the investment made in public schools, shall insure and keep insured to the extent of not less than eighty percent (80%) of the current insurable value, as determined by the insurer and the insured, of each of its insurable buildings against flood when that property is located, or becomes located in, an area identified on the latest Flood Insurance Rate Map produced by the Federal Emergency Management Agency as area that will be inundated by the flood event having a one percent (1%) chance of being equaled or exceeded in any given year. The local board of education shall provide to the Commissioner of Insurance a list of all of its insurable buildings against flood and their insurable values by October 1 of each year.

(b) The tax-levying authority for each local school administrative unit shall appropriate funds necessary for compliance with the provisions of subsection (a) of this section.

(c) Local boards of education may purchase insurance from companies duly licensed and authorized to sell insurance in this State or may obtain insurance in accordance with the provisions of Article 31A of Chapter 58 of the General Statutes, "State Insurance of Public Education Property." If a local board of education purchases insurance from a company duly licensed and authorized to sell insurance in this State for any insurable building against flood, the local board of education shall provide the Commissioner with a copy of the policy of insurance. If the policy of insurance is cancelled, terminated, or changed for any reason, the local board of education shall notify the Commissioner within five days of the effective date of the cancellation, termination, or change.

(d) If the Commissioner of Insurance determines that any person has willfully failed to comply with the provisions of subsections ~~(a)~~-(a), (b), and ~~(b)~~-(c) of this section, the Commissioner of Insurance may order, for each separate violation, a civil penalty under the procedures in G.S. 58-2-70(d). Every 24 hours without such insurance constitutes a separate violation."

SECTION 6.(c) G.S. 115D-58.11 reads as rewritten:

"§ 115D-58.11. Fire and casualty insurance on institutional buildings and contents.

(a) The board of trustees of each institution, in order to safeguard the investment in institutional buildings and their contents, shall:

- (1) Insure and keep insured each building owned by the institution to the extent of not less than eighty percent (80%) of the current insurable value, as determined by the insured and insurer, against loss by the perils embraced in broad form coverage to include fire, lightning, windstorm, hail, explosion, aircraft or vehicles, riot or civil commotion, smoke, vandalism, sprinkler leakage, sinkhole collapse, volcanic action, falling objects, weight of snow, ice or sleet, or water damage to institutional buildings and properties.
- (2) Insure and keep insured equipment and other contents of all institutional buildings that are the property of the institution or the State or which are used in the operation of the institution.
- (3) Provide to the Commissioner of Insurance a list of all of its institution's insurable buildings, the equipment and contents of the buildings, and their insurable values by October 1 of each year.

(b) The tax-levying authority of each institution shall provide the funds necessary for the purchase of the insurance required in subsection (a) of this section.

(c) Boards of trustees may purchase insurance from companies duly licensed and authorized to sell insurance in this State or may obtain insurance in accordance with the provisions of Article 31A of Chapter 58 of the General Statutes, "State Insurance of Public Education Property." If the board of trustees of an institution purchases insurance from a company duly licensed and authorized to sell insurance in this State for any insurable building, its equipment, or its contents, the board of trustees shall provide the Commissioner with a copy of the policy of insurance. If the policy of insurance is cancelled, terminated, or changed for any reason, the board of trustees shall notify the Commissioner within five days of the effective date of the cancellation, termination, or change.

(d) If the Commissioner of Insurance determines that any person has willfully failed to comply with the provisions of subsections ~~(a)~~-(a), (b), and ~~(b)~~-(c) of this section, the Commissioner of Insurance may order, for each separate violation, a civil penalty under the procedures in G.S. 58-2-70(d). Every 24 hours without such insurance constitutes a separate offense violation."

SECTION 6.(d) G.S. 115D-58.11A reads as rewritten:

"§ 115D-58.11A. Flood insurance.

(a) The board of trustees of each institution, in order to safeguard the investment in institutional buildings and their contents, shall insure and keep insured to the extent of not less than eighty percent (80%) of the current insurable value, as determined by the insurer and the insured, of each of its insurable buildings against flood when that property is located, or becomes located in, an area identified on the latest Flood Insurance Rate Map produced by the Federal Emergency Management Agency as area that will be inundated by the flood event having a one percent (1%) chance of being equaled or exceeded in any given year. The board of trustees of each institution shall provide to the Commissioner of Insurance a list of all of its institution's insurable buildings against flood and their insurable values by October 1 of each year.

(b) The tax-levying authority for each institution shall appropriate funds necessary for compliance with the provisions of subsection (a) of this section.

(c) The board of trustees may purchase insurance from companies duly licensed and authorized to sell insurance in this State or may obtain insurance in accordance with the provisions of Article 31A of Chapter 58 of the General Statutes, "State Insurance of Public Education Property." If the board of trustees of an institution purchases insurance from a company duly licensed and authorized to sell insurance in this State for any insurable building against flood, the board of trustees shall provide the Commissioner with a copy of the policy of insurance. If the policy of insurance is cancelled, terminated, or changed for any reason, the board of trustees shall notify the Commissioner within five days of the effective date of the cancellation, termination, or change.

(d) If the Commissioner of Insurance determines that any person has willfully failed to comply with the provisions of subsections ~~(a)-(a), (b), and (b)-(c)~~ of this section, the Commissioner of Insurance may order, for each separate violation, a civil penalty under the procedures in G.S. 58-2-70(d). Every 24 hours without such insurance constitutes a separate violation."

PART VII. NORTH CAROLINA MANUFACTURED HOUSING BOARD CHANGES

SECTION 7.(a) G.S. 143-143.9 reads as rewritten:

"§ 143-143.9. Definitions.

The following definitions apply in this Part:

...

(3) Code. – Engineering standards entitled State of North Carolina Regulations for Manufactured Homes adopted by the Commissioner.

...

(10a) Qualifier. – An individual taking the examination on behalf of a set-up contractor applicant, who is associated with the applicant and is actively engaged in the work of the applicant.

...."

SECTION 7.(b) G.S. 143-143.15(a) reads as rewritten:

"(a) Manufactured homes shall be set up in accordance with the standards entitled State of North Carolina Regulations for Manufactured Homes adopted by the Commissioner."

SECTION 7.(c) G.S. 143-143.21A(a)(5) is repealed.

SECTION 7.(d) G.S. 143-151(a) reads as rewritten:

"(a) Any person who is found by the Commissioner to have violated the provisions of the Act, this Article, or any rules adopted under this Article, shall be liable for a civil penalty not to exceed ~~one thousand dollars (\$1,000)~~ the amount set by 24 C.F.R. § 3282.10 for each violation. Each violation shall constitute a separate violation for each manufactured home or for each failure or refusal to allow or perform an act required by the Act, this Article, or any rules adopted under this Article. The maximum civil penalty may not exceed ~~one million dollars (\$1,000,000)~~ the amount set by 24 C.F.R. § 3282.10 for any related series of violations occurring within one year after the date of the first violation. In determining the amount of the penalty, the Commissioner

shall consider the degree and extent of harm caused by the violation, the amount of money that inured to the benefit of the violator as a result of the violation, whether the violation was willful, and the prior record of the violator in complying or failing to comply with laws, rules, or orders applicable to the violator. The clear proceeds of civil penalties provided for in this section shall be remitted to the Civil Penalty and Forfeiture Fund in accordance with G.S. 115C-457.2."

PART VIII. LONG-TERM CARE INSURANCE TECHNICAL CHANGE UPDATING PHONE NUMBER

SECTION 8. G.S. 58-55-60(7) reads as rewritten:

"(7) A qualified policy issued, executed, and delivered in North Carolina shall be accompanied by a Partnership Disclosure Notice explaining the benefits associated with a qualified policy and indicating that at the time issued, the policy is a qualified long-term care insurance partnership policy in North Carolina. The Partnership Disclosure Notice shall also include a statement indicating that by purchasing this partnership policy, the insured does not automatically qualify for Medicaid. Notices providing additional information may be used in conjunction with the Partnership Disclosure Notice described in this section if filed and approved by the Commissioner. The Notice shall state the following in at least 12-point font:

"Partnership Policy Status: Your long-term care insurance policy is intended to qualify as a Partnership Policy under the North Carolina Long-Term Care Partnership Program as of your policy's effective date. For Medicaid applicants applying for help with the cost of long-term care, this means that an amount of your resources equal to the dollar amount of long-term care insurance benefits paid to you or on your behalf under this policy may be disregarded for purposes of determining your eligibility for long-term care Medicaid and from any subsequent recovery by the State from your estate for payment of Medicaid paid services. The amount that may be disregarded at eligibility will be equal to the amount of the long-term care partnership benefits paid out prior to the time you apply for long-term care Medicaid. As a result, you may qualify for coverage of the cost of your long-term care needs under Medicaid without first being required to substantially exhaust your personal resources. The amount that may be protected from recovery by the State from your estate will be equal to the amount disregarded for purposes of eligibility for long-term care Medicaid. If you are already a recipient of long-term care Medicaid, this policy will not allow a resource disregard or estate recovery resource protection. The purchase of a Partnership Policy does not automatically qualify you for Medicaid.

Please note that this policy may lose long-term care partnership program status if you move to a different state that does not recognize North Carolina's Long-Term Care Partnership Program or you modify this policy after issuance. This policy may also lose long-term care partnership program status due to changes in federal or state laws.

If you have questions regarding long-term care insurance and the North Carolina Long-Term Care Partnership Program, you may contact the Seniors' Health Insurance Information Program of the Department of Insurance at ~~1-800-443-9354~~. 1-855-408-1212."

In the case of a group insurance contract, this Partnership Disclosure Notice shall be provided to the insured upon the issuance of the certificate. The insurer shall include in that Notice that the amount of the insured's resources that may be disregarded at eligibility will be equal to the amount of qualified

long-term care partnership policy benefits paid prior to the time the insured applied for long-term care Medicaid. The insurer shall also include in the notice a warning to the insured that the policy may lose long-term care partnership program status if the insured moves to another state that does not recognize North Carolina's Long-Term Care Partnership Program, or if the policy is modified after issuance."

PART IX. CLARIFY EXCEPTION TO UNAUTHORIZED INSURER PROHIBITION

SECTION 9. G.S. 58-28-5(a) reads as rewritten:

"(a) Except as otherwise provided in this section, it is unlawful for any company to enter into a contract of insurance as an insurer or to transact insurance business in this State as set forth in G.S. 58-28-13 without a license issued by the Commissioner. This section does not apply to the following acts or transactions:

- ...
- (4) Transactions in this State involving group life insurance, group annuities, or group, blanket, or franchise accident and health insurance where the master policy for the insurance was lawfully issued and delivered in a state in which the company was authorized to transact ~~business~~business, unless the company has had its license to conduct business in this State suspended or revoked.
-"

PART X. AMEND STATE OF DISASTER PROVISIONS

SECTION 10. G.S. 58-2-46 reads as rewritten:

"§ 58-2-46. State of disaster automatic stay of proof of loss requirements; premium and debt deferrals; ~~loss adjustments for separate windstorm policies; deferrals.~~

(a) Whenever (i) a state of disaster is proclaimed for the State or for an area within the State under G.S. 166A-19.21 or whenever the President of the United States has issued a major disaster declaration for the State or for an area within the State under the Stafford Act, 42 U.S.C. § 5121, et seq., as amended and (ii) if the Commissioner has issued an order declaring ~~subdivisions (1) through (4) of this section~~ effective for the specific disaster:

- (1) Proof of loss stayed. – The application of any provision in an insurance policy insuring real property and its contents that are located within the ~~geographic area~~ designated area in the proclamation or declaration, which provision requires an insured to file a proof of loss within a certain period of time after the occurrence of the loss, shall be stayed for the time period not exceeding the earlier of (i) the expiration of the disaster proclamation or declaration and all renewals of the proclamation or (ii) the expiration of the Commissioner's order declaring ~~subdivisions (1) through (4) of this section~~ effective for the specific ~~disaster, as determined by the Commissioner~~disaster.
- (2) Deferral of premium. – As used in this subdivision, "insurance company" includes a service corporation, HMO, MEWA, surplus lines insurer, and the underwriting associations under Articles 45 and 46 of this Chapter. ~~All~~Except as provided in subsection (c) of this section, insurance companies, premium finance companies, collection agencies, and other persons subject to this Chapter shall give their customers who reside within the ~~geographic area~~ designated area in the proclamation or declaration the option of deferring premium or debt payments that are due during the earlier of (i) ~~the time period covered by the proclamation or declaration or (ii) the time period covered by~~ the proclamation or declaration or (ii) the time period prior to the expiration of the Commissioner's order declaring ~~subdivisions (1) through (4) of this~~

~~section effective for the specific disaster, as determined by the Commissioner.~~
~~disaster.~~ This deferral period shall be 30 days from the last day the premium or debt payment may be made under the terms of the policy or contract. This deferral period shall also ~~apply to any statute, rule, or other policy or contract provision that imposes a time limit~~ serve to defer any time limits imposed on an insurer, insured, claimant, or customer to perform any act during the time period covered by the proclamation or ~~declaration, including declaration as may be required by any statute, rule, or other policy or contract provision and does not require a request to defer.~~ Included in the deferral of time limits is the transmittal of information, information and communications, with respect to insurance policies or contracts, premium finance agreements, or debt instruments when the insurer, insured, claimant, or customer resides or is located in the ~~geographic area designated area~~ area in the proclamation or declaration. Likewise, the deferral period shall apply to any time limitations imposed on insurers under the terms of a policy or contract or provisions of law related to individuals who reside within the ~~geographic area designated area~~ area in the proclamation or declaration. ~~Likewise, the deferral period shall apply to any time limitations imposed on insurers under the terms of a policy or contract or provisions of law related to individuals who reside within the geographic area designated in the proclamation or declaration.~~ The Commissioner may extend any deferral period in this subdivision, depending on the nature and severity of the proclaimed or declared disaster. No additional rate or contract filing shall be necessary to effect any deferral period.

- (3) Health benefit plans. – With respect to health benefit plans, after a deferral period has expired, all premiums in arrears shall be payable to the insurer. If premiums in arrears are not paid, coverage shall lapse as of the date premiums were paid up, and preexisting conditions shall apply as permitted under this Chapter; and the insured shall be responsible for all medical expenses incurred since the effective date of the lapse in coverage.
- (4) Repealed by Session Laws 2014-115, s. 39.2, effective August 11, 2014.
- (5) Collection agencies. – Except as provided in subsection (c) of this section, collection agencies, as defined in Article 70 of this Chapter, shall discontinue attempts to collect debt against their customers who reside within the designated area in the proclamation or declaration during the deferral period.

(b) In addition to the requirements set forth in subdivisions (a)(1) and (a)(2) of this section, the following shall apply to:

- (1) Property and casualty insurance. – With respect to property and casualty insurance companies and insurance policies that insure customers or policyholders who reside in the designated area in the proclamation or declaration described in subsection (a) of this section and who have been displaced from their residences, the following provisions shall apply:
 - a. After a deferral period has expired, all premium payments in arrears under a property and casualty insurance policy or contract shall be due and payable to the insurance company. If the premium payments in arrears are not paid, the insurance company may cancel the insurance policy or contract on or after the fifteenth day following the expiration of the deferral period. All cancellation notice requirements are still applicable under this section.
 - b. All property and casualty insurance policies or contracts with a properly noticed cancellation for nonpayment effective on or prior to the date the Commissioner has issued an order under this section may

be cancelled and such cancellations shall remain valid and effective. All cancellations for nonpayment of insurance policies or contracts scheduled to be effective after the deferral period has commenced must be deferred until the deferral period has expired. If necessary to comply with statute, a cancellation deferred under this subsection must be properly noticed again with an effective date after the expiration of the deferral period. Cancellations for cause that have been properly noticed, including cancellations for material misrepresentation or ineligible risk, may continue to be processed during the deferral period.

- c. All property and casualty insurance policies or contracts with a nonrenewal effective date on or prior to the date the Commissioner has issued an order under this section may be processed. All property and casualty insurance policies or contracts with a properly noticed nonrenewal effective after the commencement of the deferred period shall be deferred until the expiration of the deferral period. A nonrenewal deferred under this subsection shall be properly noticed again with an effective date after the expiration of the deferral period.
- d. This subsection shall not apply to property and casualty insurance policies or contracts entered into on or after the date the Commissioner has issued an order declaring this section effective for the specific disaster.

(2) Premium finance companies. – With respect to premium finance companies and premium finance agreements that have financed property and casualty insurance policies for customers or policyholders who reside in the designated area in the proclamation or declaration and who have been displaced from their residences, the following provisions shall apply:

- a. After a deferral period has expired, all payments in arrears under a premium finance agreement shall be due and payable to the premium finance company. If the payments in arrears are not paid, the premium finance company may cancel the premium finance agreement on or after the fifteenth day following the expiration of the deferred period. All cancellation notice requirements are still applicable under this section.
- b. All property and casualty insurance policies or contracts that were financed by an insurance premium finance company with a properly noticed cancellation for nonpayment effective on or prior to the date the Commissioner has issued an order under this section may be cancelled and such cancellations shall remain valid and effective.
- c. This section shall not apply to premium finance agreements entered into on or after the date the Commissioner has issued an order declaring this section effective for the specific disaster.

(c) If the proclamation or declaration is the result of a public health emergency as determined by the Secretary of the U.S. Department of Health and Human Services pursuant to 42 U.S.C. § 247d, or other situations where the Governor has, by executive order, ordered all individuals in North Carolina to stay at home or at their place of residence, the following provisions shall apply:

- (1) Property and casualty insurance companies and premium finance companies. – Property and casualty insurance companies and premium finance companies subject to this Chapter shall give notice to their customers or policyholders who reside within the designated area in the proclamation or declaration of

the option of deferring premium payments that are due during the time period covered by the Commissioner's order declaring this section effective for a specific public health emergency or situation that may require the citizens of North Carolina to shelter in place. The deferral period shall be 30 days from the last day the premium or debt payment may be made under the terms of the policy or contract or premium finance agreement.

- a. When providing notice to customers or policyholders of the option to defer premium payments, property and casualty insurance companies and premium finance companies shall do all of the following:
 1. Advise their customers or policyholders of their right to defer their premium and provide the steps required to defer their premium.
 2. Allow for deferral requests from customers or policyholders to be communicated verbally or by electronic means. Written requests for deferral shall not be required.
 - b. After required notification is provided, nonpayment will result in a cancellation to be effective on or after the fifteenth day following the expiration of the deferral period.
 - c. After a deferral period has expired, all premium payments in arrears under a property and casualty insurance policy or premium finance agreement shall be due and payable to the insurance company or premium finance company. If the premium payments in arrears are not paid, the property and casualty insurance company or premium finance company may cancel the insurance policies or premium finance agreements that were financed on or after the fifteenth day following the expiration of the deferral period. All cancellation notice requirements are still applicable under this section.
 - d. This section shall not apply to property and casualty insurance policies or contracts entered into on or after the date the Commissioner has issued an order under this section.
- (2) Policy nonrenewals and cancellations not prohibited. – Nothing in this subsection prohibits property and casualty insurance companies from not renewing or cancelling a policy during a public health emergency or situation that may require all individuals in North Carolina to stay at home.
 - (3) Collection agencies. – Collection agencies, as defined in Article 70 of this Chapter, shall discontinue attempts to collect debt against their customers who reside within the designated area in the proclamation or declaration during the deferral period when the customer notifies the collection agency that he or she is experiencing significant financial hardship related to the public health emergency or stay at home order.
 - (4) Deferral period limited in applicability. – For a public health emergency or situation that may require all individuals in North Carolina to stay at home, the deferral period shall not apply to time limitations imposed by any statute, rule, or other policy or contract provision or to the transmittal of information or communications related to insurance policies, premium finance agreements, or debt instruments, except as specifically provided for in this subsection.
 - (5) Exclusions. – This subsection shall not apply to situations that involve enemy attack, invasion, insurrection, riot, rebellion, revolution, civil war or commotion, or military or usurped power.

(d) The Commissioner may extend any deferral period in this section, depending on the nature and severity of the proclaimed or declared disaster or event. No additional rate or contract filing shall be necessary to effect any deferral period."

PART XI. EXPANSION OF PROGRAM ENHANCEMENTS

SECTION 11. G.S. 58-36-43(a) reads as rewritten:

"(a) Member companies writing private passenger ~~automobile or homeowners'~~ automobile, homeowners', dwelling, or residential private flood insurance under this Article may incorporate optional enhancements to their ~~automobile and homeowners'~~ automobile, homeowners', dwelling, and residential private flood programs as an endorsement to an ~~automobile or homeowners'~~ automobile, homeowners', dwelling, or residential private flood policy issued under this Article if the insurer has filed the proposed enhancement with the Commissioner and if the proposed enhancement is approved by the Commissioner. Any approved optional enhancements shall be considered outside the authority of the Rate Bureau. If the proposed enhancement will include an additional premium charge, the proposed premium charge shall be included with the proposed program enhancements filed with the Commissioner. The Commissioner shall review the proposed premium charges and approve them if the Commissioner finds that they are based on sound actuarial principles. Amendments to private passenger ~~automobile or homeowners'~~ automobile, homeowners', dwelling, or residential private flood program enhancements are subject to the same requirements as initial filings. Neither the acceptance, renewal of a policy, nor any underwriting rating criteria shall be conditioned by a company upon the acceptance by the policyholder of any optional ~~automobile or homeowners'~~ automobile, homeowners', dwelling, or residential private flood enhancements. A rate amendment authorized by this section is not a rate deviation and is not subject to the requirements for rate deviations set forth in G.S. 58-36-30(a)."

PART XII. TRAVEL INSURANCE EXCLUSIONS NOTICE

SECTION 12. G.S. 58-44B-15 reads as rewritten:

"§ 58-44B-15. Travel protection plans.

Travel protection plans may be offered for one price for the combined permitted features as defined in G.S. 58-44B-5 if the plan meets ~~all of the~~ following requirements:

- (1) The travel protection plan clearly discloses to the consumer at or prior to the time of purchase that it includes travel insurance, travel assistance services, and cancellation fee waivers as applicable, and provides information and an opportunity at or prior to the time of purchase for the consumer to obtain additional information regarding the features and pricing of each.
- (2) ~~The fulfillment materials:~~ materials shall do all of the following:
 - a. Describe and delineate the travel insurance, travel assistance services, and cancellation fee waivers in the travel protection plan.
 - b. Include the travel insurance disclosures and the contact information for persons providing travel assistance services and cancellation fee waivers, as applicable.
 - c. Comply with the provisions of G.S. 58-44B-20(c)(2).
 - d. Advise the policyholder to read the policy, certificate of insurance, and other documents to be informed of the plan's terms, conditions, and coverage and assistance details.
 - e. Provide contact information for the company."

PART XIII. AMEND BROKER AND INSURANCE PRODUCER LICENSURE REQUIREMENTS AND TERMINOLOGY

SECTION 13.(a) Article 33 of Chapter 58 of the General Statutes reads as rewritten:

"Article 33.

"Licensing of ~~Agents, Brokers, Insurance Producers, Limited Representatives, and Adjusters.~~

"§ 58-33-1. Scope.

This Article governs the qualifications and procedures for the licensing of ~~agents, brokers, insurance producers,~~ limited representatives, adjusters, and motor vehicle damage appraisers. This Article applies to any and all kinds of insurance and insurers under this Chapter. For purposes of this Article, all references to insurance include annuities, unless the context otherwise requires.

"§ 58-33-5. License required.

A person shall not sell, solicit, or negotiate insurance in this State for any kind of insurance unless the person is licensed for ~~that kind of insurance~~ line of authority in accordance with this Article.

"§ 58-33-10. Definitions.

As used in this Article, the following definitions apply:

- (1) "Agent" means a person licensed to solicit applications for, or to negotiate a policy of, insurance. A person not duly licensed who solicits or negotiates a policy of insurance on behalf of an insurer is an agent within the intent of this Article, and thereby becomes liable for all the duties, requirements, liabilities and penalties to which an agent of such company is subject, and such company by compensating such person through any of its officers, agents or employees for soliciting policies of insurance shall thereby accept and acknowledge such person as its agent in such transaction.
- (2) "Adjuster" means any individual who, for salary, fee, commission, or other compensation of any nature, investigates or reports to his principal relative to claims arising under insurance contracts other than life or annuity. An attorney at law who adjusts insurance losses from time to time incidental to the practice of his profession or an adjuster of marine losses is not deemed to be an adjuster for purposes of this Article.
- (3) "Broker" means a person who, being a licensed ~~agent, insurance producer,~~ procures insurance for a party other than himself 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. A person not duly licensed as an insurance producer who procures insurance for a party other than himself is a broker within the intent of this Article, and thereby becomes liable for all the duties, requirements, liabilities and penalties to which such licensed ~~brokers~~ insurance producers are subject.
- (4) "Business entity" means a corporation, association, partnership, limited liability company, limited liability partnership, or other legal entity. "Business entity" does not mean a sole proprietorship.
- (4a) "FINRA" means the Financial Industry Regulatory Authority or any successor entity.
- (5) "Home state" means the District of Columbia and any state or territory of the United States in which an insurance producer maintains his or her principal place of residence or principal place of business and is licensed to act as an insurance producer.
- (6) "Insurance" means any of the kinds of insurance in G.S. 58-7-15.
- (7) "Insurance producer" or "producer" means a person required to be licensed under this Article to sell, solicit, or negotiate insurance. "Insurance producer" or "producer" includes an ~~agent, broker, and limited representative.~~ agent and a broker.

- (8) "License" means a document issued by the Commissioner authorizing a person to act as an insurance producer for the ~~kinds of insurance~~ lines of authority specified in the document. The license itself does not create any authority, actual, apparent, or inherent, in the holder to represent or commit an insurance carrier.
- (9) "Limited line credit insurance" includes any type of credit insurance written under Article 57 of this Chapter, mortgage life, mortgage guaranty, mortgage disability, automobile dealer gap insurance, and any other form of insurance offered in connection with an extension of credit that is limited to partially or wholly extinguishing that credit obligation and that the Commissioner determines should be designated a form of limited line credit insurance.
- (10) "Limited line credit insurance producer" means a person who sells, solicits, or negotiates one or more forms of limited line credit insurance coverage to individuals through a master, corporate, group, or individual policy.
- (11) "Limited lines insurance" means motor vehicle physical damage insurance and title insurance, or any other kind of insurance that the Commissioner considers necessary to recognize for the purposes of complying with G.S. 58-33-32(f).
- (12) "Limited lines producer" means a person authorized by the Commissioner to sell, solicit, or negotiate limited lines insurance.
- (13) "Limited representative" means a person who is authorized by the Commissioner to solicit or negotiate contracts for the particular ~~kinds of insurance~~ lines of authority identified in G.S. 58-33-26(g) and which kinds of insurance are restricted in the scope of coverage afforded.
- (14) "Motor vehicle damage appraiser" means an individual who, for salary, fee, commission, or other compensation of any nature, regularly investigates or advises relative to the nature and amount of damage to motor vehicles located in this State or the amount of money deemed necessary to effect repairs thereto and who is not:
- a. An adjuster licensed to adjust insurance claims in this State;
 - b. An agent for an insurance company who is not required by law to be licensed as an adjuster;
 - c. An attorney at law who is not required by law to be licensed as an adjuster; or
 - d. An individual who, incident to his regular employment in the business of repairing defective or damaged motor vehicles, investigates and advises relative to the nature and amount of motor vehicle damage or the amount of money deemed necessary to effect repairs thereto.
- (15) "Negotiate" means the act of conferring directly with, or offering advice directly to, a purchaser or prospective purchaser of a particular contract of insurance concerning any of the substantive benefits, terms, or conditions of the contract, only if the person engaged in that act either sells insurance or obtains insurance from insurers for purchasers. "Negotiate" does not mean a referral to a licensed insurance ~~agent or broker~~ producer that does not include a discussion of specific insurance policy terms and conditions.
- (16) "Person" means an individual or a business entity, but does not mean a county, city, or other political subdivision of the State of North Carolina.
- (17) "Sell" means to exchange a contract of insurance by any means, for money or its equivalent, on behalf of an insurance company. "Sell" does not mean a referral to a licensed insurance ~~agent or broker~~ producer that does not include a discussion of specific insurance policy terms and conditions.

- (18) "Solicit" means attempting to sell insurance or asking or urging a person to apply for a particular kind of insurance from a particular company. "Solicit" does not mean a referral to a licensed insurance ~~agent or broker~~ producer that does not include a discussion of specific insurance policy terms and conditions.
- (19) "Terminate" means the cancellation of the relationship between an insurance producer or limited representative and the insurer or the termination of a producer's or limited representative's authority to transact insurance.
- (20) "Uniform Business Entity Application" means the current version of the NAIC Uniform Business Entity Application for resident and nonresident business entities.
- (21) "Uniform Application" means the current version of the NAIC Uniform Application for resident and nonresident producer licensing.

"§ 58-33-15. Restricted license for overseas military agents.

Notwithstanding any other provision of this Article, an individual may be licensed by the Commissioner as a foreign military sales agent to represent a life insurance company domiciled in this State, provided the agent represents the insurance company only in a foreign country or territory and either on a United States military installation or with United States military personnel. The Commissioner may, upon request of the insurance company on application forms furnished by the Commissioner and upon payment of the fee specified in G.S. 58-33-125, issue to the applicant a restricted license which will be valid only for the representation of the insurance company in a foreign country or territory and either on a United States military installation or with United States military personnel. The insurance company shall certify to the Commissioner that the applicant has the necessary training to hold himself out as a life insurance agent, and that the insurance company is willing to be bound by the acts of the applicant within the scope of his employment. ~~A restricted license issued under this section shall be renewed annually as provided in G.S. 58-33-25(n).~~

"§ 58-33-17. Limited license for rental car companies.

(a) As used in this section:

- (1) "Limited licensee" means a person authorized to sell certain coverages relating to the rental of motor vehicles pursuant to the provisions of this section and Article 28 of Chapter 66 of the General Statutes.
- (2) "Rental agreement" means any written agreement setting forth the terms and conditions governing the use of a vehicle provided by the rental car company.
- (3) "Rental car company" means any person in the business of providing vehicles to the public.
- (4) "Renter" means any person obtaining the use of a vehicle from a rental car company under the terms of a rental agreement.
- (5) "Vehicle" means a motor vehicle of the private passenger type including passenger vans and minivans that are primarily intended for the transport of persons.

(b) The Commissioner may issue to a rental car company, or to a franchisee of a rental car company, that has complied with the requirements of this section, a limited license authorizing the licensee, known as a "limited licensee" for the purpose of this Article, to act as agent, with reference to the kinds of insurance specified in this section, of any insurer authorized to write such kinds of insurance in this State.

(c) The prerequisites for issuance of a limited license under this section are the filing with the Commissioner of the following:

- (1) A written application, signed by an officer of the applicant, for the limited license in such form or forms, and supplements thereto, and containing such information, as the Commissioner may prescribe; and

- (2) A certificate by the insurer that is to be named in such limited license, stating that it has satisfied itself that the named applicant is trustworthy and competent to act as its ~~insurance~~ agent for this limited purpose and that the insurer will appoint such applicant to act as the agent in reference to the doing of such kind or kinds of insurance as are permitted by this section, if the limited license applied for is issued by the Commissioner. Such certificate shall be subscribed by an officer or managing agent of such insurer and affirmed as true under the penalties of perjury.
- (d) In the event that any provision of this section is violated by a limited licensee, the Commissioner may:
- (1) Revoke or suspend a limited license issued under this section in accordance with the provisions of G.S. 58-33-46; or
 - (2) After notice and hearing, impose such other penalties, including suspending the transaction of insurance at specific rental locations where violations of this Article have occurred, as the Commissioner deems to be necessary or convenient to carry out the purposes of this section.
- (e) The rental car company or franchisee licensed pursuant to subsection (b) of this section may act as agent for an authorized insurer only in connection with the rental of vehicles and only with respect to the following kinds of insurance:
- (1) Excess liability insurance that provides coverage to the rental car company or franchisee and renters and other authorized drivers of rental vehicles, in excess of the standard liability limits provided by the rental car company in its rental agreement, for liability arising from the negligent operation of the rental vehicle;
 - (2) Accident and health insurance that provides coverage to renters and other vehicle occupants for accidental death or dismemberment and for medical expenses resulting from an accident that occurs during the rental period;
 - (3) Personal effects insurance that provides coverage to renters and other vehicle occupants for the loss of, or damage to, personal effects that occurs during the rental period; or
 - (4) Any other coverage that the Commissioner may approve as meaningful and appropriate in connection with the rental of vehicles.
- (f) No insurance may be issued pursuant to this section unless:
- (1) The rental period of the rental agreement does not exceed 30 consecutive days; and
 - (2) At every rental car location where rental car agreements are executed, brochures or other written materials are readily available to the prospective renter that:
 - a. Summarize, clearly and correctly, the material terms of insurance coverage, including the identity of the insurer, offered to renters;
 - b. Disclose that these policies offered by the rental car company may provide a duplication of coverage already provided by a renter's personal automobile insurance policy, homeowner's insurance policy, personal liability insurance policy, or other source of coverage;
 - c. State that the purchase by the renter of the kinds of insurance specified in this section is not required in order to rent a vehicle;
 - d. Describe the process for filing a claim in the event the renter elects to purchase coverage and in the event of a claim; and
 - e. Contain any additional information on the price, benefits, exclusions, conditions or other limitations of such policies as the Commissioner may by regulation prescribe; and

(3) Evidence of coverage is provided to every renter who elects to purchase such coverage.

(g) Any limited license issued under this section shall also authorize any salaried employee of the licensee who, pursuant to subsection (h) of this section, is trained to act individually on behalf, and under the supervision, of the licensee with respect to the kinds of insurance specified in this section.

(h) Each rental car company or franchisee licensed pursuant to this section shall conduct a training program which shall be submitted to the commissioner for approval prior to use and which shall meet the following minimum standards:

(1) Each trainee shall receive basic instruction about the kinds of insurance specified in this section offered for purchase by prospective renters of rental vehicles;

(2) Each trainee shall be instructed to acknowledge to a prospective renter of a rental vehicle that purchase of any such insurance specified in this section is not required in order for the renter to rent a vehicle; and

(3) Each trainee shall be instructed to acknowledge to a prospective renter of a rental vehicle that the renter may have insurance policies that already provide the coverage being offered by the rental car company pursuant to this section.

(i) Limited licensees acting pursuant to and under the authority of this section shall comply with all applicable provisions of this Article, except that notwithstanding any other provision of this Article, or any rule adopted by the Commissioner, a limited licensee pursuant to this section shall not be required to treat premiums collected from renters purchasing such insurance when renting vehicles as funds received in a fiduciary capacity, provided that:

(1) The insurer represented by the limited licensee has consented in writing, signed by the insurer's officer, that premiums need not be segregated from funds received by the rental car company on account of vehicle rental; and

(2) The charges for insurance coverage are itemized but not billed to the renter separately from the charges for rental vehicles.

(j) No limited licensee under this section shall advertise, represent, or otherwise hold itself or any of its employees themselves out as licensed insurance ~~agents or brokers~~ producers.

"§ 58-33-18. Limited license for self-service storage companies.

(a) As used in this section:

(1) "Limited licensee" means a person authorized to sell certain coverages relating to the rental of self-service storage units pursuant to the provisions of this section and Article 39 of Chapter 66 of the General Statutes.

(2) "Rental agreement" means any written agreement setting forth the terms and conditions governing the use of a storage unit provided by the owner of a self-service storage facility company.

(3) "Self-service storage company" means any person in the business of renting storage units to the public.

(4) "Renter" or "occupant" means any person obtaining the use of a storage unit from a self-service storage company under the terms of a rental agreement.

(5) "Storage unit" means a semienclosed or fully enclosed area, room, or space that is primarily intended for the storage of personal property and which shall be accessible by the renter of the unit pursuant to the terms of the rental agreement.

(b) The Commissioner may issue to a self-service storage company, or to a franchisee of a self-service storage company, that has complied with the requirements of this section a limited license authorizing the licensee, known as a "limited licensee" for the purpose of this Article, to act as agent, with reference to the kinds of insurance specified in this section of any insurer authorized to write such kinds of insurance in this State.

- (c) The prerequisites for issuance of a limited license under this section are the filing with the Commissioner of the following:
- (1) A written application, signed by an officer of the applicant, for the limited license in such form or forms, and supplements thereto, and containing such information as the Commissioner may prescribe; and
 - (2) A certificate by the insurer that is to be named in such limited license, stating that it has satisfied itself that the named applicant is trustworthy and competent to act as its ~~insurance~~-agent for this limited purpose and that the insurer will appoint such applicant to act as the agent in reference to the doing of such kind or kinds of insurance as are permitted by this section if the limited license applied for is issued by the Commissioner. Such certificate shall be subscribed by an officer or managing agent of such insurer and affirmed as true under the penalties of perjury.
- (d) In the event that any provision of this section is violated by a limited licensee, the Commissioner may:
- (1) Revoke or suspend a limited license issued under this section in accordance with the provisions of G.S. 58-33-46; or
 - (2) After notice and hearing, impose such other penalties, including suspending the transaction of insurance at specific rental locations where violations of this Article have occurred, as the Commissioner deems to be necessary or convenient to carry out the purposes of this section.
- (e) The self-service storage company or franchisee licensed pursuant to subsection (b) of this section may act as agent for an authorized insurer only in connection with the rental of storage units and only with respect to the following kinds of insurance:
- (1) Personal effects insurance that provides coverage to renters of storage units at the same facility for the loss of, or damage to, personal effects that occurs at the same facility during the rental period; or
 - (2) Any other coverage that the Commissioner may approve as meaningful and appropriate in connection with the rental of storage units.
- (f) No insurance may be issued pursuant to this section unless:
- (1) The rental period of the rental agreement does not exceed two years; and
 - (2) At every self-service storage location where self-service storage agreements are executed, brochures or other written materials are readily available to the prospective renter that:
 - a. Summarize, clearly and correctly, the material terms of insurance coverage, including the identity of the insurer, offered to renters;
 - b. Disclose that these policies offered by the self-service storage company may provide a duplication of coverage already provided by a renter's homeowners' insurance policy, personal liability insurance policy, or other source of coverage;
 - c. State that the purchase by the renter of the kinds of insurance specified in this section is not required in order to rent a storage unit;
 - d. Describe the process for filing a claim in the event the renter elects to purchase coverage and in the event of a claim; and
 - e. Contain any additional information on the price, benefits, exclusions, conditions, or other limitations of such policies as the Commissioner may by regulation prescribe; and
 - (3) Evidence of coverage is provided to every renter who elects to purchase such coverage.
- (g) Any limited license issued under this section shall also authorize any employee of the licensee who is trained, pursuant to subsection (h) of this section, to act individually on behalf,

and under the supervision, of the licensee with respect to the kinds of insurance specified in this section.

(h) Each self-service storage company or franchisee licensed pursuant to this section shall conduct a training program which shall be submitted to the Commissioner for approval prior to use and which shall meet the following minimum standards:

- (1) Each trainee shall receive basic instruction about the kinds of insurance specified in this section offered for purchase by prospective renters of storage units;
- (2) Each trainee shall be instructed to acknowledge to a prospective renter of a storage unit that purchase of any such insurance specified in this section is not required in order for the renter to rent a storage unit; and
- (3) Each trainee shall be instructed to acknowledge to a prospective renter of a storage unit that the renter may have insurance policies that already provide the coverage being offered by the self-service storage company pursuant to this section.

(i) Limited licensees acting pursuant to and under the authority of this section shall comply with all applicable provisions of this Article, except that notwithstanding any other provision of this Article, or any rule adopted by the Commissioner, a limited licensee pursuant to this section shall not be required to treat premiums collected from renters purchasing such insurance when renting storage units as funds received in a fiduciary capacity, provided that:

- (1) The insurer represented by the limited licensee has consented in writing, signed by the insurer's officer, that premiums need not be segregated from funds received by the self-service storage company on account of storage unit rental; and
- (2) The charges for insurance coverage are itemized but not billed to the renter separately from the charges for storage units.

(j) No limited licensee under this section shall advertise, represent, or otherwise hold itself or any of its employees out as licensed insurance ~~agents or brokers.~~ producers. No renter or occupant may be required to obtain insurance under this section as a condition of obtaining a rental agreement for a storage unit. The renter shall be informed that the insurance offered under this section is not required as a condition for obtaining a rental agreement for a storage unit.

...

"§ 58-33-20. Representation.

(a) Every ~~agent~~ insurance producer or limited representative ~~who~~ who, on behalf of an insurer, solicits or negotiates an application for insurance of any kind, in any controversy between the insured or his beneficiary and the insurer, is regarded as representing the insurer and not the insured or his beneficiary. This provision does not affect the apparent authority of an agent.

(b) Every ~~broker~~ insurance producer ~~who, acting as a broker,~~ solicits an application for insurance of any kind, in any controversy between the insured or his beneficiary and the insurer issuing any policy upon such application, is regarded as representing the insured or his beneficiary and not the insurer; except any insurer that directly or through its agents delivers in this State to any ~~insuranc~~ insuranc ~~ee~~ ee ~~broker~~ broker a policy of insurance pursuant to the application or request of such broker, acting for an insured other than himself, is deemed to have authorized such broker to receive on its behalf payment of any premium that is due on such policy of insurance at the time of its issuance or delivery.

...

"§ 58-33-26. General license requirements.

(a) No person shall act as or hold himself or herself out to be an ~~agent, broker,~~ insurance producer, limited representative, adjuster, or motor vehicle damage appraiser unless duly licensed.

(b) No ~~agent, broker, insurance producer~~ or limited representative shall make application for, procure, negotiate for, or place for others, any policies for any ~~kinds of insurance lines of authority~~ as to which that person is not then qualified and duly licensed.

(c) ~~Effective for new licenses issued before January 1, 2008, an agent or broker may be licensed for the following kinds of insurance:~~

- (1) ~~Life and health insurance, meaning:~~
 - a. ~~Life insurance coverage on human lives, including benefits of endowment and annuities, and may include benefits in the event of death or dismemberment by accident and benefits for disability income.~~
 - b. ~~Variable life and variable annuity products insurance coverage provided under variable life insurance contracts and variable annuities.~~
 - c. ~~Accident and health or sickness insurance coverage for sickness, bodily injury, or accidental death and may include benefits for disability income.~~
- (2) ~~Property and liability insurance, meaning:~~
 - a. ~~Coverage for the direct or consequential loss or damage to property of every kind.~~
 - b. ~~Coverage against legal liability, including that for death, injury, or disability or damage to real or personal property.~~
- (3) ~~Personal lines, meaning property and liability insurance coverage sold to individuals and families for primarily noncommercial purposes.~~
- (4) ~~Medicare supplement insurance and long term care insurance, as a supplement to a license for the kinds of insurance listed in subdivision (1) of this subsection.~~

~~These lines of authority shall remain applicable for holders of these licenses until the Commissioner provides applicable replacement licenses under the new lines that will go into effect for new licenses on January 1, 2008. Replacement licenses shall grant authority comparable to the licenses being replaced.~~

(c1) ~~Effective for licenses issued on or after January 1, 2008, an agent or broker insurance producer may be licensed for the following kinds of insurance:~~ lines of authority:

- (1) Accident and health or sickness. – Insurance coverage for sickness, bodily injury, or accidental death and may include benefits for disability income.
- (2) Casualty. – Insurance coverage against legal liability, including that for death, injury, or disability, or damage to real or personal property.
- (3) Limited ~~line~~ lines insurance.
- (4) Life. – Insurance coverage on human lives, including benefits in the event of death or dismemberment by accident and benefits for disability income.
- (5) Medicare supplement insurance and long-term care insurance, as a supplement to a license for the ~~kinds of insurance line of authority~~ listed in subdivision (1) of this subsection.
- (6) Personal lines. – Property and casualty insurance coverage sold to individuals and families for primarily noncommercial purposes.
- (7) Property. – Insurance coverage for the direct or consequential loss or damage to property of every kind.
- (8) Variable life and variable annuity products. – Insurance coverage provided under variable life insurance contracts and variable annuities.
- (9) Any other kind of insurance permitted under State laws or administrative rules.

(d) A person holding a license or licenses for the ~~kind or kinds of insurance~~ lines of authority specified in subsection (c1) of this section may sell, solicit, or negotiate only the kind or ~~kinds of insurance~~ lines of authority for which that person is licensed.

(e) A variable life and variable annuity products license authorizes a resident ~~agent~~ insurance producer to sell, solicit, or negotiate variable contracts if the ~~agent~~ insurance producer satisfies the Commissioner that the ~~agent~~ insurance producer has met the FINRA requirements of the Secretary of State of North Carolina.

(f) An accident and health or sickness license authorizes a resident ~~agent~~ insurance producer to sell, solicit, or negotiate Medicare supplement and long-term care insurance policies as defined respectively in Articles 54 and 55 of this Chapter, provided that the licensee takes and passes a supplemental written examination for the insurance as provided in G.S. 58-33-30(e) and pays the supplemental registration fee provided in G.S. 58-33-125(c).

(g) The Commissioner may issue one or more licenses without examination to individuals for limited lines insurance per qualifications and application procedures defined in the administrative rules.

(h) No licensed ~~agent, broker,~~ insurance producer or limited representative shall sell, solicit, or negotiate anywhere in the boundaries of this State, or receive or transmit an application or premium of insurance, for a company not licensed to do business in this State, except as provided in G.S. 58-28-5 and Article 21 of this Chapter.

(i) No ~~agent~~ insurance producer shall place a policy of insurance with any insurer unless the ~~agent~~ insurance producer has a current appointment as agent for the insurer in accordance with G.S. 58-33-40 or has a valid temporary license issued in accordance with G.S. 58-33-66.

(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 March 31 of each year unless the business entity pays the renewal fee.

(k) The license shall state the name and an identifying number of the licensee, date of issue, ~~kind or kinds of insurance~~ line or lines of authority covered by the license, and any other information as the Commissioner deems to be proper.

(l) A license issued to an ~~agent~~ insurance producer authorizes him to act until his license is otherwise suspended or revoked. Upon the suspension or revocation of a license, the licensee or any person having possession of such license shall return it to the Commissioner.

(m) A license of a ~~broker,~~ limited representative, adjuster, or motor vehicle damage appraiser shall be renewed on April 1 each year, and renewal fees shall be paid. The Commissioner is not required to print licenses for the purpose of renewing licenses. The Commissioner may establish for licenses "staggered" license renewal dates that will apportion renewals throughout each calendar year. If the system of staggered licensing is adopted, the Commissioner may extend the licensure period for some licensees. License renewal fees prescribed by G.S. 58-33-125 shall be prorated to the extent they are commensurate with extensions.

(n) A license as an insurance producer or limited representative is not required of the following:

- (1) An officer, director, or employee of an insurer or of an insurance ~~producer,~~ producer or limited representative, provided that the officer, director, or employee does not receive any commission on policies written or sold to insure risks residing, located, or to be performed in this State, except for indirect receipt of proceeds of commissions in the form of salary, benefits, or distributions, and:

- a. The officer, director, or employee's activities are executive, administrative, managerial, clerical, or a combination of these, and are only indirectly related to the sale, solicitation, or negotiation of insurance; or
 - b. The officer, director, or employee's function relates to underwriting, loss control, inspection, or the processing, adjusting, investigating, or settling of a claim on a contract of insurance; or
 - c. The officer, director, or employee is acting in the capacity of a special agent or agency supervisor assisting insurance producers where the person's activities are limited to providing technical advice and assistance to licensed insurance producers and do not include the sale, solicitation, or negotiation of insurance.
- (2) A person who secures and furnishes information for the purpose of group life insurance, group property and casualty insurance, group annuities, group or blanket accident and health insurance; or for the purpose of enrolling individuals under plans; issuing certificates under plans or otherwise assisting in administering plans; or performs administrative services related to mass-marketed property and casualty insurance; where no commission is paid to the person for the service.
 - (3) An employer or association or its officers, directors, employees, or the trustees of an employee trust plan, to the extent that the employers, officers, employees, director, or trustees are engaged in the administration or operation of a program of employee benefits for the employer's or association's own employees or the employees of its subsidiaries or affiliates, which program involves the use of insurance issued by an insurer, as long as the employers, associations, officers, directors, employees, or trustees are not in any manner compensated, directly or indirectly, by the company issuing the contracts.
 - (4) Employees of insurers or organizations employed by insurers who are engaging in the inspection, rating, or classification of risks, or in the supervision of the training of insurance producers and who are not individually engaged in the sale, solicitation, or negotiation of insurance.
 - (5) A person whose activities in this State are limited to advertising without the intent to solicit insurance in this State through communications in printed publications or other forms of electronic mass media whose distribution is not limited to residents of this State, provided that the person does not sell, solicit, or negotiate insurance that would insure risks residing, located, or to be performed in this State.
 - (6) A person who is not a resident of this State who sells, solicits, or negotiates a contract of insurance for commercial property and casualty risks to an insured with risks located in more than one state insured under that contract, provided that that person is otherwise licensed as an insurance producer to sell, solicit, or negotiate that insurance in the state where the insured maintains its principal place of business and the contract of insurance insures risks located in that state.
 - (7) A salaried full-time employee who counsels or advises his or her employer relative to the insurance interests of the employer or of the subsidiaries or business affiliates of the employer provided that the employee does not sell or solicit insurance or receive a commission.
 - (8) Licensed insurers authorized to write the kinds of insurance described in G.S. 58-7-15(1) through G.S. 58-7-15(3) that do business without the involvement of a licensed agent.

(9) A person indirectly receiving proceeds of commissions as part of the transfer of insurance business or in the form of retirement or similar benefits.

(o) Nothing in this Article requires an insurer to obtain an insurance producer license. In this subsection, "insurer" does not include an insurer's officers, directors, employees, subsidiaries, or affiliates.

(p) An individual shall not simultaneously hold ~~a property, casualty, or personal lines insurance license~~ an insurance producer license with casualty, personal lines, or property lines of authority and an adjuster's license in this State. An individual who holds ~~a property, casualty, or personal lines insurance license~~ an insurance producer license with casualty, personal lines, or property lines of authority may apply for an adjuster license without having to take the adjuster examination in G.S. 58-33-30(e) if the individual applies for the adjuster license within 60 days after surrendering ~~the property, casualty, or personal lines insurance license~~ an insurance producer license with casualty, personal lines, or property lines of authority. An individual who holds an adjuster license may apply for ~~a property and liability insurance license~~ an insurance producer license with casualty, personal lines, or property lines of authority without having to take the ~~property and liability insurance agent~~ casualty, personal lines, or property insurance producer examination in G.S. 58-33-30(e) if the individual applies for ~~the property, casualty, or personal lines insurance license~~ an insurance producer license with casualty, personal lines, or property lines of authority within 60 days after surrendering the adjuster license.

"§ 58-33-27. Claims handling for portable consumer electronic devices.

(a) As used in this section, the following definitions apply:

(1) "Automated claims adjudication system" means a preprogrammed computer system designed for the collection, data entry, calculation, and system-generated final resolution of claims on insurance policies that cover only portable consumer electronic devices, which system shall meet the following criteria:

- a. Be utilized only by a licensed adjuster, licensed ~~agent~~ insurance producer, or supervised individuals operating pursuant to this section.
- b. Comply with all claims payment requirements of this Chapter.
- c. Be certified as compliant with this section by a licensed adjuster who is an officer of a licensed business entity under this Chapter.

(2) "Portable consumer electronic devices" include the following, which must be easily carried or conveyed by hand: smartphones, navigation devices, cellular phones, personal digital assistants, iPads, iPhones, Androids, video games, wireless reading devices, laptops, tablets, netbooks, MP3 players, digital cameras, and other electronic devices that are portable in nature, their accessories, and services related to the use of the device.

(b) No adjuster license is required for an individual who, in connection with insurance covering only portable consumer electronic devices as defined in subdivision (a)(2) of this section, collects claim information from or furnishes claim information to insureds, who conducts data entry, including entering data into an automated claims adjudication system, and who does not exercise any discretion in the disposition of the portable consumer electronic device claim; provided that the individual is supervised by a licensed adjuster or licensed ~~agent~~ insurance producer and there are no more than 25 individuals who may adjust claims under the supervision of the licensed adjuster or licensed ~~agent~~ insurance producer. No ~~agent~~ insurance producer acting as a supervisor pursuant to this section is required to be licensed as an adjuster.

(c) If other property losses occur in conjunction with the loss associated with the portable consumer electronic device, the individual who performs duties as described in G.S. 58-33-10(2) on the total loss, including the loss associated with the portable consumer electronic device, must hold an adjuster's license.

"§ 58-33-30. License requirements.

The Commissioner shall not issue or continue any license of an ~~agent, broker, insurance producer,~~ limited representative, adjuster, or motor vehicle damage appraiser except as follows:

(a) Application. – The applicable license application requirements of G.S. 58-33-31 shall be satisfied.

(b), (c) Repealed by Session Laws 2001-203, s. 7, effective July 1, 2002.

(d) Education and Training. -

(1) Each applicant must have had special education, training, or experience of sufficient duration and extent reasonably to satisfy the Commissioner that the applicant possesses the competence necessary to fulfill the responsibilities of an ~~agent, broker, insurance producer,~~ limited representative, adjuster, or motor vehicle damage appraiser.

(2) All individual applicants for licensing as ~~agents insurance producers~~ under G.S. 58-33-26(c1)(1), (2), (4), (6), or (7) shall furnish evidence satisfactory to the Commissioner of successful completion of at least 20 hours of instruction for each license, which shall in all cases include the general principles of insurance and any other topics relevant to the license that the Commissioner establishes by administrative rules. Any applicant who submits satisfactory evidence of having successfully completed ~~an agent a producer~~ training course that has been approved by the Commissioner and that is offered by or under the auspices of a ~~property or liability or life or health property, casualty, life or accident and health or sickness~~ insurance company admitted to do business in this State or a professional insurance association shall be deemed to have satisfied the educational requirements of this subdivision.

(3) Each resident applicant for a Medicare supplement and long-term care insurance license shall furnish evidence satisfactory to the Commissioner of successful completion of 10 hours of instruction, which shall in all cases include the principles of Medicare supplement and long-term care insurance and federal and North Carolina law relating to such insurance. A resident applicant who submits satisfactory evidence of having successfully completed ~~an agent a producer~~ training course that has been approved by the Commissioner and that is offered by or under the auspices of a licensed life or health insurer or a professional insurance association satisfies the educational requirements of this subdivision.

(e) Examination. -

(1) After completion and filing of the application with the Commissioner, the Commissioner shall require each applicant for license as an ~~agent insurance producer~~ or an adjuster to take an examination as to the applicant's competence to be licensed. The applicant must take and pass the examination according to requirements prescribed by the Commissioner. This subsection shall not apply to adjusters who adjust only federal crop insurance claims and are certified in accordance with subdivision (2a) of this subsection.

(2) The Commissioner may require any licensed ~~agent, insurance producer,~~ adjuster, or motor vehicle damage appraiser to take and successfully pass an examination in writing, testing his competence and qualifications as a condition to the continuance or renewal of his license, if the licensee has been found guilty of any violation of any provision of this Chapter. If an individual fails to pass such an examination, the Commissioner shall revoke all licenses issued in his name and no license shall be issued until such individual has passed an examination as provided in this Article.

(2a) Adjusters who adjust federal crop insurance claims shall be certified as having passed a proficiency examination approved by the federal Risk Management

Agency (RMA) as a condition of obtaining an adjuster's license under this Chapter or another proficiency examination approved by the Commissioner. An adjuster who intends to adjust crop insurance claims shall furnish the Commissioner proof that the adjuster is certified as having passed the required examination pursuant to this section.

- (3) Each examination shall be as the Commissioner prescribes and shall be of sufficient scope to test the applicant's knowledge of:
 - a. The terms and provisions of the policies or contracts of insurance the applicant proposes to effect; or
 - b. The types of claims or losses the applicant proposes to adjust; and
 - c. The duties and responsibilities of the license; and
 - d. The current laws of this State applicable to the license.
- (4) The answers of the applicant to the examination shall be provided by the applicant under the Commissioner's supervision. The Commissioner shall give examinations at such times and places within this State as the Commissioner considers necessary reasonably to serve the convenience of both the Commissioner and applicants: Provided that the Commissioner may contract directly with persons for the processing of examination application forms and for the administration and grading of the examinations required by this section; the Commissioner may charge a reasonable fee in addition to the registration fee charged under G.S. 58-33-125, to offset the cost of the examination contract authorized by this subsection; and such contracts shall not be subject to Article 3 of Chapter 143 of the General Statutes. However, the Commissioner shall: (i) submit all proposed agreements or contracts for supplies, materials, printing, equipment, and contractual services that exceed one million dollars (\$1,000,000) authorized by this subdivision to the Attorney General or the Attorney General's designee for review as provided in G.S. 114-8.3; and (ii) include in all contracts to be awarded by the Commissioner under this subdivision a standard clause which provides that the State Auditor and internal auditors of the Commissioner may audit the records of the contractor during and after the term of the contract to verify accounts and data affecting fees and performance. The Commissioner shall not award a cost plus percentage of cost contract for any purpose.
- (5) The Commissioner shall collect in advance the examination and registration fees provided in G.S. 58-33-125 and in subsection (4) of this section. The Commissioner shall make or cause to be made available to all applicants, for a reasonable fee to offset the costs of production, materials that he considers necessary for the applicants' proper preparation for examinations. The Commissioner may contract directly with publishers and other suppliers for the production of the preparatory materials, and contracts so let by the Commissioner shall not be subject to Article 3 of Chapter 143 of the General Statutes. However, the Commissioner shall: (i) submit all proposed contracts for supplies, materials, printing, equipment, and contractual services that exceed one million dollars (\$1,000,000) authorized by this subdivision to the Attorney General or the Attorney General's designee for review as provided in G.S. 114-8.3; and (ii) include in all contracts to be awarded by the Commissioner under this subdivision a standard clause which provides that the State Auditor and internal auditors of the Commissioner may audit the records of the contractor during and after the term of the contract to verify accounts and data affecting fees and performance. The Commissioner shall not award a cost plus percentage of cost contract for any purpose.

- (6) In addition to the examinations for the ~~kinds of insurance~~ lines of authority specified in ~~G.S. 58-33-25(e)(1) and (2), G.S. 58-33-26(c1)(1)~~ before any resident may sell Medicare supplement or long-term care insurance policies defined respectively in Articles 54 and 55 of this Chapter, the resident must take and pass a supplemental written examination according to requirements prescribed by the Commissioner.
- (7) An individual who fails to appear for the examination as scheduled or fails to pass the examination shall reapply for an examination and remit all required fees and forms before being rescheduled for another examination.
- (f) ~~Brokers.~~
- (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. A person required by this subdivision to maintain a bond may, in lieu of that bond, deposit with the Commissioner the equivalent amount in cash, in certificates of deposit issued by banks organized under the laws of the State of North Carolina, or any national bank having its principal office in North Carolina, or securities, which shall be held in accordance with Article 5 of this Chapter. Securities may only be obligations of the United States or of federal agencies listed in G.S. 147-69.1(e)(2) guaranteed by the United States, obligations of the State of North Carolina, or obligations of a city or county of this State. Any proposed deposit of an obligation of a city or county of this State is subject to the prior approval of the Commissioner.~~
- (2) ~~Other Requirements.~~ ~~An applicant must hold a valid agent's license at the time of application for the broker's license and throughout the duration of the broker's license. A broker's license shall be issued to cover only those kinds of insurance authorized by his agent's license. Suspension or revocation of the agent's license shall cause immediate revocation of the broker's license.~~
- (g) Denial of License. – If the Commissioner finds that the applicant has not fully met the requirements for licensing, the Commissioner shall refuse to issue the license and shall notify in writing the applicant and the appointing insurer, if any, of the denial, stating the grounds for the denial. The application may also be denied for any reason for which a license may be suspended or revoked or not renewed under G.S. 58-33-46. In order for an applicant to be entitled to a review of the Commissioner's action to determine the reasonableness of the action, the applicant must make a written demand upon the Commissioner for a review no later than 30 days after service of the notification upon the applicant. The review shall be completed without undue

delay, and the applicant shall be notified promptly in writing of the outcome of the review. In order for an applicant who disagrees with the outcome of the review to be entitled to a hearing under Article 3A of Chapter 150B of the General Statutes, the applicant must make a written demand upon the Commissioner for a hearing no later than 30 days after service upon the applicant of the notification of the outcome.

(h) Resident-Nonresident Licenses. – The Commissioner shall issue a resident or nonresident license to an ~~agent, broker, insurance producer,~~ limited representative, adjuster, or motor vehicle damage appraiser as follows:

(1) Resident.

An individual may qualify for a license as a resident if he resides in this State. Any license issued pursuant to an application claiming residency in this State shall be void if the licensee, while holding a resident license in this State, also holds or makes application for a resident license in, or thereafter claims to be a resident of, any other state, or ceases to be a resident of this State; provided, however, if the applicant is a resident of a county in another state, the border of which county is contiguous with the state line of this State, the applicant may qualify as a resident for licensing purposes in this State.

(2) Nonresident.

a. An individual may qualify for a license under this Article as a nonresident if he holds a like license in another state or territory of the United States. An individual may qualify for a license as a nonresident motor vehicle damage appraiser or a nonresident adjuster if the applicant's state of residency does not offer such licenses and such applicant meets all other requirements for licensure of a resident. A license issued to a nonresident of this State shall grant the same rights and privileges afforded a resident licensee, except as provided in subsection (i) of this section.

a1. If a nonresident licensee's license in his or her home state is no longer in good standing for any reason, the nonresident licensee's license issued by the Commissioner shall automatically lapse 30 days after the loss of the nonresident's home state license. Within 30 days following the lapse, the nonresident's lapsed license may be reinstated if (i) the nonresident licensee is otherwise entitled to licensure and (ii) he or she provides proof satisfactory to the Commissioner that his or her home state license has been reinstated or reissued. A lapsed nonresident license may also be reinstated upon proof satisfactory to the Commissioner that the nonresident has relocated to another jurisdiction, obtained a new home state license, and has filed a change of address notice with the Commissioner within 60 days after the issuance of the new home state license. If the lapsed nonresident license is not reinstated as provided herein, the nonresident must submit a new application for licensure to the Commissioner.

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

- e. ~~Notwithstanding other provisions of this Article, no new bond shall be required for a nonresident broker if the Commissioner is satisfied that an existing bond covers his insurance business in this State.~~
- d. Process Against Nonresident Licensees.
 - 1. Each licensed nonresident ~~agent, broker, insurance producer,~~ adjuster, limited representative, or motor vehicle damage appraiser shall by the act of acquiring such license be deemed to appoint the Commissioner as his attorney to receive service of legal process issued against the ~~agent, broker, insurance producer,~~ adjuster, limited representative, or motor vehicle damage appraiser in this State upon causes of action arising within this State.
 - 2. The appointment shall be irrevocable for as long as there could be any cause of action against the nonresident arising out of his insurance transactions in this State.
 - 3. Duplicate copies of such legal process against such nonresident licensee shall be served upon the Commissioner either by a person competent to serve a summons, or through certified or registered mail. At the time of such service the plaintiff shall pay to the Commissioner a fee in the amount set in G.S. 58-16-30, taxable as costs in the action to defray the expense of such service.
 - 4. Upon receiving such service, the Commissioner or his duly appointed deputy shall within three business days send one of the copies of the process, by registered or certified mail, to the defendant nonresident licensee at his last address of record as filed with the Commissioner.
 - 5. The Commissioner shall keep a record of the day and hour of service upon him of all such legal process. No proceedings shall be had against the defendant nonresident licensee, and such defendant shall not be required to appear, plead or answer until the expiration of 40 days after the date of service upon the Commissioner.
- e. If the Commissioner revokes or suspends any nonresident's license through a formal proceeding under this Article, he shall promptly notify the appropriate Commissioner of the licensee's residence of such action and of the particulars thereof.

(i) Retaliatory Provision. – Whenever, by the laws or regulations of any other state or jurisdiction, any limitation of rights and privileges, conditions precedent, or any other requirements are imposed upon residents of this State who are nonresident applicants or licensees of such other state or jurisdiction in addition to, or in excess of, those imposed on nonresidents under this Article, the same such requirements shall be imposed upon such residents of such other state or jurisdiction. This subsection does not apply to fees charged to insurance producers.

(j) Reciprocity Provision. – To the extent that other states that provide for the licensing and regulation of and payment of commissions to ~~agents, insurance producers or limited representatives, or brokers,~~ waive restrictions on the basis of reciprocity with respect to North Carolina licensees applying for or holding nonresident licenses in those states, the same restrictions on licensees from those states applying for or holding North Carolina nonresident licenses shall be waived.

"§ 58-33-31. Application for license.

(a) A person applying for a resident ~~insurance producer~~ license shall make application to the Commissioner on the Uniform Application and declare under penalty of denial, suspension, or revocation of the license that the statements made in the application are true, correct, and complete to the best of the individual's knowledge and belief. Before approving the application, the Commissioner shall find that the individual:

- (1) Is at least 18 years of age.
- (2) Has not committed any act that is a ground for probation, suspension, nonrenewal, or revocation set forth in G.S. 58-33-46.
- (3) Has satisfied any applicable requirements of G.S. 58-33-30(d).
- (4) Has paid the applicable fees set forth in G.S. 58-33-125.
- (5) Has successfully passed any examinations required by G.S. 58-33-30(e).

(b) A business entity selling, soliciting, or negotiating insurance shall obtain an insurance producer license. Application shall be made using the Uniform Business Entity Application. Before approving the application, the Commissioner shall find that:

- (1) The business entity has paid the applicable fees set forth in G.S. 58-33-125.
- (2) The business entity has designated a licensed producer, who is a natural person, responsible for the business entity's compliance with the insurance laws and administrative rules of this State and orders of the Commissioner.

(c) The Commissioner may require any documents reasonably necessary to verify the information contained in an application.

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

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

(b) Repealed by Session Laws 2001-203, s. 13, effective July 1, 2002.

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

- (1) The person is currently licensed as a resident and in good standing in that person's home state;
- (2) The person has submitted the request for licensure in the form prescribed by the Commissioner and has paid the applicable fees required by G.S. 58-33-125;
- (3) The person has submitted or transmitted to the Commissioner a copy of the application for licensure that the person submitted to that person's home state, or in lieu of the same, a completed Uniform Application or Uniform Business Entity Application; and
- (4) The person's home state awards nonresident producer licenses to residents of this State on a reciprocal basis.

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

(d) A person licensed as a surplus lines producer in that person's home state shall receive a nonresident surplus lines license under subsection (c) of this section. Except for the licensure provisions of this section, nothing in this section otherwise amends or supersedes any provision of Article 21 of this Chapter.

(e) A person licensed or registered as a viatical settlement broker or provider, as defined in G.S. 58-58-205, in that person's home state shall receive a nonresident viatical settlement broker or provider license under subsection (c) of this section. Except for the licensure provisions of this section, nothing in this section otherwise amends or supersedes any provision of Part 5 of Article 58 of this Chapter.

(f) A person licensed as a limited line credit insurance producer or other type of limited lines producer in that person's home state may, under subsection (c) of this section, receive a nonresident limited lines producer license granting the same scope of authority as granted under the license issued by the producer's home state. For the purposes of this subsection, limited lines insurance is any authority granted by the home state that restricts the authority of the license to less than the total authority prescribed in the associated major lines under ~~G.S. 58-33-26(e)(1), 58-33-26(e)(2), 58-33-26(e)(3), and 58-33-26(e)(4).~~ G.S. 58-33-26(c1)(1), 58-33-26(c1)(2), 58-33-26(c1)(4), 58-33-26(c1)(5), 58-33-26(c1)(6), and 58-33-26(c1)(7).

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

- (1) The applicant is currently licensed in the applicant's home state; or
- (2) The application is received within 90 days after the cancellation of the applicant's previous license and the applicant's home state issues a certification that, at the time of cancellation, the applicant was in good standing in that state; or
- (3) The home state's producer database records, maintained by the NAIC or affiliates or subsidiaries of the NAIC, indicate that the producer is or was licensed in good standing for the ~~kind of insurance~~ lines of authority requested.

A person licensed as an insurance producer in another state who moves to this State and who wants to be licensed as a resident under G.S. 58-33-31 shall apply within 90 days after establishing legal residence.

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

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

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

(k) A producer shall report to the Commissioner any administrative action taken against the producer in another state or by another governmental agency in this State within 30 days after the final disposition of the matter. As used in this subsection, "administrative action" includes enforcement action taken against the producer by the FINRA. This report shall include a copy of the order or consent order and other information or documents filed in the proceeding necessary to describe the action.

(l) Within 30 days after the initial pretrial hearing date or similar proceeding, a producer shall report to the Commissioner any criminal prosecution of the producer. The report shall include a copy of the initial complaint filed, the order resulting from the hearing or similar proceeding, and any other information or documents filed in the proceeding necessary to describe the prosecution.

...

"§ 58-33-40. Appointment of agents.

(a) Except as provided in subsection (b) of this section, no individual who holds a valid insurance ~~agent's-producer~~ license issued by the Commissioner shall, either directly or for an

insurance agency, solicit, negotiate, or otherwise act as an agent 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 agent any individual who holds a valid ~~agent's insurance producer~~ license issued by the Commissioner. To appoint an individual as its agent, the appointing insurer shall file, in a format approved by the Commissioner, a notice of appointment within 15 days after the date the first insurance application is submitted. The individual shall be authorized to act as an agent for the appointing insurer for the kinds of insurance for which the insurer is authorized in this State and for which the appointed ~~agent insurance producer~~ is licensed in this State, unless specifically limited. For purposes of determining the number of appointments for an ~~agent insurance producer~~, there shall be one appointment for each ~~kind of insurance~~ line of authority for which the appointed ~~agent insurance producer~~ is licensed in this State, unless specifically limited.

(c) Repealed by Session Laws 2009-566, s. 9, effective August 28, 2009.

(d) Every insurer shall remit in a manner prescribed by the Commissioner the appointment fee specified in G.S. 58-33-125 for each appointed ~~agent insurance producer~~.

(e) An appointment shall continue in effect as long as the appointed ~~agent insurance producer~~ is properly licensed and the appointing insurer is authorized to transact business in this State, unless the appointment is cancelled.

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

~~(g) Any agent license in effect on February 1, 1988, shall be deemed to be an appointment for the unexpired term of that license.~~

(h) Repealed by Session Laws 2009-566, s. 9, effective August 28, 2009.

...

"§ 58-33-46. Suspension, probation, revocation, or nonrenewal of licenses.

(a) The Commissioner may place on probation, suspend, revoke, or refuse to renew any license issued under this Article, in accordance with the provisions of Article 3A of Chapter 150B of the General Statutes, for any one or more of the following causes:

- (1) Providing materially incorrect, misleading, incomplete, or materially untrue information in the license application.
- (2) Violating any insurance law of this or any other state, violating any administrative rule, subpoena, or order of the Commissioner or of another state's insurance regulator, or violating any rule of the FINRA.
- (3) Obtaining or attempting to obtain a license through misrepresentation or fraud.
- (4) Improperly withholding, misappropriating, or converting any monies or properties received in the course of doing insurance business.
- (5) Intentionally misrepresenting the terms of an actual or proposed insurance contract or application for insurance.
- (6) Having been convicted of a felony or a misdemeanor involving dishonesty, a breach of trust, or moral turpitude.
- (7) Having admitted or been found to have committed any insurance unfair trade practice or fraud.
- (8) Using fraudulent, coercive, or dishonest practices, or demonstrating incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in this State or elsewhere.
- (9) Having an insurance producer license, or its equivalent, denied, suspended, or revoked in any other jurisdiction for reasons substantially similar to those listed in this subsection.
- (10) Forging another's name to an application for insurance or to any document related to an insurance transaction.

- (11) Willfully failing to provide the notification required by subsection (c) of this section.
- ~~(12) Knowingly accepting brokered insurance business from an individual who is not licensed to broker that kind of insurance.~~
- (12a) Soliciting, negotiating, or selling insurance in this State for an unauthorized insurer, regardless of whether the licensee or applicant knew that the insurer was unauthorized. As used in this section, the terms "soliciting", "negotiating", and "selling" shall have the meaning of "solicit", "negotiate", and "sell", respectively, set forth in G.S. 58-33-10.
- (13) Failing to comply with an administrative or court order imposing a child support obligation, after entry of a final judgment or order finding the violation to have been willful.
- (14) Failing to pay State income tax or comply with any administrative or court order directing payment of State income tax, after entry of a final judgment or order finding the violation to have been willful.
- (15) Cheating on an examination for an insurance license or for a prelicensing or continuing education course, including improperly using notes or any other reference material to complete an examination for an insurance license or for a prelicensing or continuing education course.
- (16) Willfully overinsuring property.
- (17) Any cause for which issuance of the license could have been refused had it then existed and been known to the Commissioner at the time of issuance.

(b) G.S. 58-2-50 applies to any investigation under this section. G.S. 58-2-70 applies to any person subject to licensure under this Article.

(c) Any person licensed under this Article shall notify the Commissioner of the commencement of any bankruptcy, insolvency, or receivership proceeding affecting the person licensed, or upon making an assignment for the benefit of creditors of the person licensed. Each owner, manager, or officer of a business entity that is a licensed person shall be responsible for providing this notification. Any person responsible for notifying the Commissioner shall provide the notice within three business days after the commencement of the proceeding or the making of the assignment.

(d) If the Commissioner refuses to grant a license, or suspends or revokes a license, any appointment of the applicant or licensee shall likewise be revoked. No individual whose license is revoked shall be issued another license without first complying with all requirements of this Article.

(e) No person shall be issued a license or appointment to enter the employment of any other person, which other person is at that time found by the Commissioner to be in violation of any of the insurance laws of this State, or which other person has been in any manner disqualified under any state or federal law to engage in the insurance business.

(f) The Commissioner shall retain the authority to enforce the provisions of, and impose any penalty or remedy authorized by, this Chapter against any person who is under investigation for or charged with a violation of this Chapter even if the person's license or registration has been surrendered or has lapsed by operation of law.

"§ 58-33-48. Criminal history record checks.

(a) An applicant for an insurance producer or limited representative license under this Article shall furnish the Commissioner with a complete set of the applicant's fingerprints in a manner prescribed by the Commissioner. The applicant's fingerprints shall be certified by an authorized law enforcement officer. The fingerprints of every applicant shall be forwarded to the State Bureau of Investigation for a search of the applicant's criminal history record file, if any. If warranted, the State Bureau of Investigation shall forward a set of the fingerprints to the Federal

Bureau of Investigation for a national criminal history record check. An applicant shall pay the cost of the State and any national criminal history record check of the applicant.

(b) The Commissioner shall keep all information pursuant to this section privileged, in accordance with applicable State law and federal guidelines, and the information shall be confidential and shall not be a public record under Chapter 132 of the General Statutes.

(c) This section does not apply to any of the following:

- (1) A person applying for renewal or continuation of a home state insurance producer license or a nonresident insurance producer license.
- (2) A person applying for a limited line credit insurance producer license.

...

"§ 58-33-56. Notification to Commissioner of termination.

(a) An insurer or authorized representative of the insurer that terminates the appointment, employment, contract, or other insurance business relationship with a producer or limited representative shall notify the Commissioner within 30 days after the effective date of the termination, using a form prescribed by the Commissioner, if the reason for termination is for or related to one of the causes listed in G.S. 58-33-46(a) or the insurer has knowledge the producer or a limited representative was found by a court, government body, or self-regulatory organization authorized by law to have engaged in any of the activities in G.S. 58-33-46(a). Upon the written request of the Commissioner, the insurer shall provide additional information, documents, records, or other data pertaining to the termination or activity of the ~~producer.~~producer or limited representative.

(b) An insurer or authorized representative of the insurer that terminates the appointment, employment, or contract with a producer or limited representative for any reason that is not for or related to one of the causes listed in G.S. 58-33-46(a) shall notify the Commissioner within 30 days after the effective date of the termination, using a form prescribed by the Commissioner. Upon written request of the Commissioner, the insurer shall provide additional information, documents, records, or other data pertaining to the termination.

(c) The insurer or the authorized representative of the insurer shall promptly notify the Commissioner in a form acceptable to the Commissioner if, upon further review or investigation, the insurer discovers additional information that would have been reportable to the Commissioner in accordance with subsection (a) of this section had the insurer then known of its existence.

(d) Within 15 days after making the notification required by subsections (a), (b), and (c) of this section, the insurer shall notify the producer or limited representative using a form prescribed by the Commissioner. If the producer or limited representative is terminated for cause for any of the reasons listed in G.S. 58-33-46(a), the insurer shall provide a copy of the notification to the producer or limited representative at the producer's or limited representative's last known address by certified mail, return receipt requested, postage prepaid, or by overnight delivery using a nationally recognized carrier.

(e) Within 30 days after the producer or limited representative has received the original or additional notification, the producer or limited representative may file written comments concerning the substance of the notification with the Commissioner. The producer or limited representative shall, by the same means, simultaneously send a copy of the comments to the reporting insurer, and the comments shall become a part of the Commissioner's file and accompany every copy of a report distributed or disclosed for any reason about the producer or limited representative as permitted under subsection (h) of this section.

(f) In the absence of actual malice, neither an insurer, the authorized representative of the insurer, a producer, a limited representative, the Commissioner, an organization of which the Commissioner is a member, nor the respective employees and agents of such persons acting on behalf of such persons shall be subject to civil liability as a result of any statement or information provided pursuant to this section.

(g) In any action brought against a person that may have immunity under subsection (f) of this section for making any statement required by this section or for providing any information relating to any statement that may be requested by the Commissioner, the party bringing the action shall plead specifically in any allegation that subsection (f) of this section does not apply because the person making the statement or providing the information did so with actual malice. Subsections (f) and (g) of this section do not abrogate or modify any existing statutory or common law privileges or immunities.

(h) Notwithstanding any other provision of this Chapter, any documents, materials, or other information in the control or possession of the Commissioner or any organization of which the Commissioner is a member that is (i) furnished by an insurer, producer, limited representative, or an employee or agent thereof acting on behalf of the ~~insurer or producer~~ insurer, producer, or limited representative under this section, or (ii) obtained by the Commissioner in an investigation under this section shall be confidential by law and privileged, shall not be subject to or public records under G.S. 58-2-100 or Chapter 132 of the General Statutes, shall not be subject to subpoena, and shall not be subject to discovery in any civil action other than a proceeding brought by the Commissioner against a person to whom such documents, materials, or other information relate. However, the Commissioner is authorized to use the documents, materials, or other information in the furtherance of any regulatory or legal action brought as a part of the Commissioner's duties. Neither the Commissioner nor any person who received documents, materials, or other information while acting under the authority of the Commissioner shall be permitted or required to testify in any civil action other than a proceeding brought by the Commissioner against a person to whom such documents, materials, or other information relate concerning any such documents, materials, or information.

(i) In order to assist in the performance of the Commissioner's duties under this Article, the Commissioner may:

- (1) Share documents, materials, or other information, including the confidential documents, materials, or information described in this section, with other state, federal, and international regulatory agencies, with the NAIC, its affiliates or subsidiaries, and with state, federal, and international law enforcement authorities. The Commissioner may condition such sharing on an agreement by the recipient to maintain the confidentiality and privileged status of the document, material, or other information;
- (2) Receive documents, materials, or information, including otherwise confidential and privileged documents, materials, or information from other state, federal, and international regulatory agencies, from the NAIC, its affiliates or subsidiaries, and from state, federal, and international law enforcement authorities, and may agree to maintain the confidential and privileged status of the document, material, or other information received under the laws of the jurisdiction that is the source of the document, material, or information; and
- (3) Enter into agreements governing sharing and use of information consistent with this subsection.

(j) No waiver of any applicable privilege or claim of confidentiality in the documents, materials, or information shall occur as a result of disclosure to the Commissioner under this section or as a result of sharing as authorized in subsection (i) of this section.

(k) Nothing in this Article prohibits the Commissioner from releasing final, adjudicated actions including for cause terminations that are open to public inspection under G.S. 58-2-100, to a database or other clearinghouse service maintained by the NAIC, its affiliates, or subsidiaries of the NAIC.

(l) An insurer, the authorized representative of the insurer, ~~or producer~~ producer, or limited representative that fails to report as required under this section or that is found to have

reported with actual malice by a court of competent jurisdiction may, after notice and hearing, have its license suspended or revoked and may be fined in accordance with G.S. 58-2-70.

"§ 58-33-60. Countersignature and related laws.

Subject to the retaliatory provisions of G.S. 58-33-30(i), there shall be no requirement that a licensed resident ~~agent or broker~~ insurance producer must countersign, solicit, transact, take, accept, deliver, record, or process in any manner an application, policy, contract, or any other form of insurance on behalf of a nonresident ~~agent or broker~~ insurance producer or an authorized insurer; or share in the payment of commissions, if any, related to such business.

...

"§ 58-33-66. Temporary licensing.

(a) The Commissioner may issue a temporary insurance producer license for a period not to exceed 180 days or longer, for good cause, without requiring an examination if the Commissioner deems that the temporary license is necessary for the servicing of an insurance business in any of the following cases:

- (1) To the spouse or surviving spouse or court-appointed personal representative or guardian of a licensed insurance producer who dies or becomes mentally or physically disabled to allow adequate time for the transfer of the insurance business owned by the producer, for the recovery or return of the producer to the business, or for the training and licensing of new personnel to operate the producer's business.
- (2) To a member or employee of a business entity licensed as an insurance producer, upon the death or disability of an individual designated in the business entity application or the license.
- (3) To the designee of a licensed insurance producer entering active service in the Armed Forces of the United States.
- (4) In any other circumstance where the Commissioner deems that the public interest will be served best by the issuance of this license.

(b) The Commissioner may by order limit the authority of any temporary licensee in any way deemed necessary to protect insureds and the public. The Commissioner may require the temporary licensee to have a suitable sponsor who is a licensed producer or insurer and who assumes responsibility for all acts of the temporary licensee and may impose other similar requirements designed to protect insureds and the public. The Commissioner may by order revoke a temporary license if the interest of insureds or the public are endangered. A temporary license terminates upon the transfer of the business.

(c) An individual requesting a temporary license on account of death or disability of ~~an agent or broker~~ a licensed insurance producer shall be licensed to represent only those insurers that had appointed such ~~agent~~ insurance producer at the time of death or commencement of disability.

"§ 58-33-70. Special provisions for adjusters and motor vehicle damage appraisers.

(a) It shall be unlawful and cause for revocation of license for a licensed adjuster to engage in the practice of law.

(b) On behalf and on request of an insurer by which an ~~agent~~ insurance producer or limited representative is appointed, the ~~agent~~ insurance producer or limited representative may from time to time act as an adjuster and investigate and report upon claims without being licensed as an adjuster. No ~~agent~~ insurance producer or limited representative shall adjust any losses where the ~~agent's~~ insurance producer's or limited representative's remuneration for the sale of insurance is in any way dependent upon the adjustment of those losses.

(c) Upon the filing of the application for an adjuster's license, the advance payment of the examination fee, and the filing with the Commissioner of a certificate signed by the applicant's employer, the Commissioner may issue a learner's permit authorizing the applicant to act as an adjuster for a learning period of 90 days without a requirement of any other license. Not

more than one learner's permit shall ever be issued to one individual. The employer's certificate required by this subsection shall certify that:

- (1) The applicant is an individual of good character.
- (2) The applicant is employed by the signer of the certificate.
- (3) The applicant will operate as a student or learner under the instruction and general supervision of a licensed adjuster.
- (4) The employer will be responsible for the adjustment acts of the applicant during the learning period.

(d) Repealed by Session Laws 1998-211, s. 19, effective November 1, 1998.

(e) The Commissioner may permit an experienced adjuster, who regularly adjusts in another state and who is licensed in the other state (if that state requires a license), to act as an adjuster in this State without a North Carolina license only for an insurance company authorized to do business in this State, for emergency insurance adjustment work, for a period to be determined by the Commissioner, done for an employer who is an adjuster licensed by this State or who is a regular employer of one or more adjusters licensed by this State; provided that the employer shall furnish to the Commissioner a notice in writing immediately upon the beginning of any such emergency insurance adjustment work. As used in this subsection, "emergency insurance adjustment work" includes, but is not limited to, (i) adjusting of a single loss or losses arising out of an event or catastrophe common to all of those losses or (ii) adjusting losses in any area declared to be a state of emergency or disaster by the Governor under G.S. 166A-19.20 or G.S. 166A-19.21 or by the President of the United States under applicable federal law.

(f) The Commissioner may permit an experienced motor vehicle damage appraiser who is regularly appraising in another state and who is licensed in such other state (if that state requires a license) to act as a motor vehicle damage appraiser in this State without a North Carolina license for emergency motor vehicle damage appraisal work for a period not exceeding 30 days done for an employer who notifies the Commissioner, in writing, at the beginning of the period of emergency appraisal work and who is:

- (1) An insurance adjuster licensed by this State;
- (2) A motor vehicle damage appraiser licensed by this State;
- (3) A regular employer of one or more insurance adjusters licensed by this State; or
- (4) A regular employer of one or more motor vehicle damage appraisers licensed by this State.

...

"§ 58-33-76. Referral of business to repair source; prohibitions.

(a) No insurance company, ~~agent~~, insurance producer, adjuster or appraiser or any person employed to perform their service shall recommend the use of a particular service or source for the repair of property damage without clearly informing the claimant that the claimant is under no obligation to use the recommended repair service.

(b) No insurance company, ~~agent~~, insurance producer, adjuster or appraiser or any person employed to perform their service shall accept any gratuity or other form of remuneration from a repair service for recommending that repair service to a claimant. Provided, however, discounts agreed to by repair services shall not violate this section.

(c) Any person who violates this section is subject to the provisions of G.S. 58-2-70 and G.S. 58-33-46.

"§ 58-33-80. Discrimination forbidden.

No ~~agent~~ insurance producer or representative of any company doing the business of insurance as defined in G.S. 58-7-15 shall make any discrimination in favor of any person.

"§ 58-33-82. Commissions.

(a) An insurance ~~company or company~~, insurance producer ~~producer~~, or limited representative shall not pay a commission, service fee, or other valuable consideration to a person

for selling, soliciting, or negotiating insurance in this State if that person is required to be licensed under this Article and is not so licensed.

(b) A person shall not accept a commission, service fee, brokerage, or other valuable consideration for selling, soliciting, or negotiating insurance in this State if that person is required to be licensed under this Article and is not so licensed.

(c) Renewal or other deferred commissions may be paid to a person for selling, soliciting, or negotiating insurance in this State if the person was required to be licensed under this Article at the time of the sale, solicitation, or negotiation and was so licensed at that time.

(d) Except as provided in subsection (e) of this section, only agents-insurance producers who are duly licensed with appropriate company appointments, ~~licensed brokers~~, licensed limited lines producers, or licensed limited representatives may ~~accept, directly or indirectly, directly~~ accept any commission, fee, or other valuable consideration for the sale, solicitation, or negotiation of insurance.

(d1) Insurance producers may indirectly accept any commission, fee, or other valuable consideration for business brokered through an insurance producer that is appropriately appointed.

(e) Commissions, fees, or other valuable consideration for the sale, solicitation, or negotiation of insurance may be assigned or directed to be paid in the following circumstances:

- (1) To a business entity by a person who is an owner, shareholder, member, partner, director, employee, or agent of that business entity.
- (2) To a producer or limited representative, in connection with renewals of insurance business originally sold by or through the licensed person or for other deferred commissions.
- (3) In connection with the indirect receipt of commissions in circumstances in which a license is not required under G.S. 58-33-26(n).

...

"§ 58-33-85. Rebates and charges in excess of premium prohibited; exceptions.

(a) No insurer, ~~agent, broker~~ insurance producer, or limited representative shall knowingly charge, demand or receive a premium for any policy of insurance except in accordance with the applicable filing approved by the Commissioner. No insurer, ~~agent, broker~~ insurance producer, or limited representative shall pay, allow, or give, or offer to pay, allow, or give, directly or indirectly, as an inducement to insurance, or after insurance has been effected, any rebate, discount, abatement, credit, or reduction of the premium named in a policy of insurance, or any special favor or advantage in the dividends or other benefits to accrue thereon, or any valuable consideration or inducement whatever, not specified in the policy of insurance. No insured named in a policy of insurance, nor any employee of such insured, shall knowingly receive or accept, directly or indirectly, any such rebate, discount, abatement or reduction of premium, or any special favor or advantage or valuable consideration or inducement. Nothing herein contained shall be construed as prohibiting the payment of commissions or other compensation to duly licensed ~~agents, brokers~~ insurance producers and limited representatives, nor as prohibiting any participating insurer from distributing to its policyholders dividends, savings or the unused or unabsorbed portion of premiums and premium deposits. As used in this section the word "insurance" includes suretyship and the word "policy" includes bond.

(b) No insurer, ~~agent, broker~~ insurance producer, or limited representative shall knowingly charge to or demand or receive from an applicant for insurance any money or other consideration in return for the processing of applications or other forms or for the rendering of services associated with a contract of insurance, which money or other consideration is in addition to the premium for such contract, unless the applicant consents in writing before any services are rendered. This subsection does not apply to the charging or collection of any fees otherwise provided for by law.

"§ 58-33-90. Rebate of premiums on credit life and credit accident and health insurance; retention of funds by ~~agent~~insurance producer.

It shall be unlawful for any insurance carrier, or officer, agent or representative of an insurance company writing credit life and credit accident and health insurance, as defined in G.S. 58-58-10 and G.S. 58-51-100, or combination credit life, accident and health, hospitalization and disability insurance in connection with loans, to permit any agent or representative of such company to retain any portion of funds received for the payment of losses incurred, or to be incurred, under such policies of insurance issued by such company, or to pay, allow, permit, give or offer to pay, allow, permit or give, directly, or indirectly, as an inducement to insurance, or after insurance has been effected, any rebate, discount, abatement, credit or reduction of the premium, to any loan agency, insurance agency or ~~broker~~insurance producer, or to any creditor of the debtor on whose account the insurance was issued, or to any person, firm or corporation which received a commission or fee in connection with the issuance of such insurance: Provided, that this section shall not prohibit the payment of commissions to a licensed insurance ~~agent~~producer or agency or limited representative on the sale of a policy of credit life and credit accident and health insurance, or combination credit life, accident and health, hospitalization and disability insurance in connection with loans.

It shall be unlawful for any ~~agent~~agency, ~~broker~~insurance producer, limited representative, or insured named in any such policy, or for any loan agency or broker, or any agent, officer or employee of any loan agency or broker to receive or accept, directly or indirectly, any such rebate, discount, abatement, credit or reduction of the premium as set out in this section.

...

"§ 58-33-100. Payment of premium to ~~agent~~insurance producer valid; obtaining by fraud a crime.

(a) Any ~~agent~~brokerinsurance producer or limited representative who acts for a person other than himself negotiating a contract of insurance is, for the purpose of receiving the premium therefor, the company's agent, whatever conditions or stipulations may be contained in the policy or contract. This subsection does not apply to the Insurance Underwriting Association established under Article 45 of this Chapter or the Joint Underwriting Association established under Article 46 of this Chapter.

(b) Any ~~agent~~brokerinsurance producer or limited representative knowingly procuring by fraudulent representations payment, or the obligation for the payment, of a premium of insurance, shall be guilty of a Class 1 misdemeanor.

"§ 58-33-105. False statements in applications for insurance.

If any ~~agent~~insurance producer, examining physician, applicant, or other person shall knowingly or willfully make any false or fraudulent statement or representation in or with reference to any application for insurance, or shall make any such statement for the purpose of obtaining any fee, commission, money or benefit from any company engaged in the business of insurance in this State, he shall be guilty of a Class 1 misdemeanor. This section shall also apply to contracts and certificates issued under Articles 65 through 67 of this Chapter.

"§ 58-33-110. ~~Agents~~Insurance producers signing certain blank policies.

Any ~~agent~~insurance producer or limited representative who signs any blank contract or policy of insurance is guilty of a Class 3 misdemeanor and, upon conviction, shall be punished only by a fine of not less than one thousand dollars (\$1,000) nor more than five thousand dollars (\$5,000); provided, however, that transportation ticket policies of accident insurance and baggage insurance policies may be countersigned in blank for issuance only through coin-operated machines, subject to regulations prescribed by the Commissioner.

...

"§ 58-33-120. ~~Agent~~Insurance producer, adjuster, etc., acting without a license or violating insurance law.

If any person shall assume to act either as principal, ~~agent, broker, insurance producer,~~ limited representative, adjuster or motor vehicle damage appraiser without license as is required by law or pretending to be a principal, ~~agent, broker, insurance producer,~~ limited representative, adjuster or licensed motor vehicle damage appraiser, shall solicit, examine or inspect any risk, or shall examine into, adjust, or aid in adjusting any loss, investigate or advise relative to the nature and amount of damages to motor vehicles or the amount necessary to effect repairs thereto, or shall receive, collect, or transmit any premium of insurance, or shall do any other act in the soliciting, making or executing any contract of insurance of any kind otherwise than the law permits, or as principal or ~~agent insurance producer~~ shall violate any provision of law contained in Articles 1 through 64 of this Chapter, the punishment for which is not elsewhere provided for, he shall be deemed guilty of a Class 1 misdemeanor.

"§ 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 Insurance producer appointment cancellation (paid by insurer) ..	10.00
Agent Insurance producer appointment, individual.....	10.00 11.00
Agent Insurance producer appointment, Medicare supplement and long-term care, individual.....	10.00
Agent, overseas military	20.00
Broker, nonresident.....	50.00
Broker, resident.....	50.00
Business entity	100.00
Limited representative	20.00
Limited representative cancellation (paid by insurer)	10.00
Motor vehicle damage appraiser.....	75.00
Surplus lines licensee, corporate.....	100.00
Surplus lines licensee, individual.....	50.00

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

(c) Any person who is not licensed and who is required by law or administrative rule to secure a license shall, upon application for licensing, pay to the Commissioner a fee of fifty dollars (\$50.00). If additional licensing for other ~~kinds of insurance lines of authority~~ is requested, a fee of fifty dollars (\$50.00) shall be paid to the Commissioner upon application for licensing for each additional kind of insurance.

In addition to the fees prescribed by this subsection, any person applying for a supplemental license to sell Medicare supplement and long-term care insurance policies shall pay an additional fee of fifty dollars (\$50.00) upon application for licensing for ~~those kinds of insurance that line of authority.~~

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

~~(e) A resident licensee may obtain a duplicate photo bearing license at times and places within this State that the Commissioner considers necessary and reasonable to serve the convenience of both the Commissioner and the licensee. The Commissioner may contract directly with persons for processing of duplicate photo bearing licenses, and the contract shall not be subject to Article 3 of Chapter 143 of the General Statutes. The Commissioner may charge~~

~~a reasonable fee for duplicating a photo bearing license in an amount that offsets the costs to the Department of duplicating the license, including costs associated with any contract entered into pursuant to this subsection. However, the Commissioner shall: (i) submit all proposed contracts for supplies, materials, printing, equipment, and contractual services that exceed one million dollars (\$1,000,000) authorized by this subsection to the Attorney General or the Attorney General's designee for review as provided in G.S. 114-8.3; and (ii) include in all contracts to be awarded by the Commissioner under this subsection a standard clause which provides that the State Auditor and internal auditors of the Commissioner may audit the records of the contractor during and after the term of the contract to verify accounts and data affecting fees and performance. The Commissioner shall not award a cost plus percentage of cost agreement or contract for any purpose.~~

(f) Repealed by Session Laws 2007-507, s. 7, effective January 1, 2008, and applicable to fees or charges due, and actions occurring, on or after that date.

(g) All fees prescribed by this section are nonrefundable. The fees in subsection (a) of this section are in lieu of any other license fees. The fee for an individual agent-insurance producer appointment under subsection (a) of this section applies to each license.

(h) Fees paid by an insurer on behalf of a person who is licensed or appointed to represent the insurer are payable to the Commissioner when billed. Billing of insurers for renewal fees must be on an annual basis. The frequency for billing insurers for other licensing and appointment fees is determined by the Commissioner and may be daily, monthly, or quarterly. An electronic payment made through the NAIC or an affiliate of NAIC is considered a payment to the Commissioner.

"§ 58-33-130. Continuing education program for licensees.

(a) The Commissioner may adopt 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. The 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.

The Commissioner may contract directly with persons for the administration of the program provided for by this section, and those contracts shall not be subject to Article 3 of Chapter 143 of the General Statutes. However, the Commissioner shall: (i) submit all proposed contracts for supplies, materials, printing, equipment, and contractual services that exceed one million dollars (\$1,000,000) authorized by this subsection to the Attorney General or the Attorney General's designee for review as provided in G.S. 114-8.3; and (ii) include in all contracts to be awarded by the Commissioner under this subsection a standard clause which provides that the State Auditor and internal auditors of the Commissioner may audit the records of the contractor during and after the term of the contract to verify accounts and data affecting fees and performance. The Commissioner shall not award a cost plus percentage of cost agreement or contract for any purpose. The Commissioner may charge a reasonable fee to course providers to offset the cost of the program, including costs associated with contracts authorized by this subsection. The fee authorized by this subsection shall be in addition to the fees specified in G.S. 58-33-133. As used in this section and in G.S. 58-33-132, "administrator" means any person with whom the Commissioner has contracted under this subsection.

(b) The Commissioner may adopt rules to provide for the continuing professional education of all ~~agents and brokers~~ insurance producers who are licensed to sell, solicit, and

negotiate the ~~kinds of insurance~~ lines of authority specified in G.S. 58-33-26(c1)(1), (2), (4), (6), (7), or (8). In adopting the rules, the Commissioner may use the same criteria as specified in subsection (a) of this section.

(c) The license of any person who fails to comply with the continuing education requirements under this section shall lapse except that the Commissioner or administrator may either grant an extension of time for good cause shown or charge an administrative fee of seventy-five dollars (\$75.00), or both, in lieu of having the person's license lapse.

(d) Biennial continuing professional education hour requirements shall be determined by the Commissioner, but shall not be more than 24 credit hours. The Commissioner may by rule establish a staggered system in which the credit hour compliance period is based on the month and year of birth of each individual licensee.

(e) Repealed by Session Laws 2007-507, s. 8, effective January 1, 2008, and applicable to fees or charges due, and actions occurring, on or after that date.

(f) Repealed by Session Laws 1993 (Reg. Sess., 1994), c. 678, s. 18, effective July 5, 1994.

(g) Repealed by Session Laws 2007-507, s. 8, effective January 1, 2008, and applicable to fees or charges due, and actions occurring, on or after that date.

(h) Any licensee who, after obtaining an extension under subsection (c) of this section, offers evidence satisfactory to the Commissioner or administrator that the licensee has satisfactorily completed the required continuing professional education courses is in compliance with this section.

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

(j) Repealed by Session Laws 2002-144, s. 3, as amended by Session Laws 2003-284, s. 22.2, and as amended by Session Laws 2004-124, s. 21.1, effective July 1, 2002.

(k) Repealed by Session Laws 1993, c. 409, s. 4, effective July 1, 1993.

...

"§ 58-33-135. Continuing education advisory committee.

(a) The Commissioner shall appoint, in accordance with G.S. 58-2-30, one advisory committee for ~~fire-property~~ and casualty insurance licensees and one advisory committee for life and accident and health or sickness insurance licensees. The advisory committees shall recommend reasonable rules to the Commissioner for promulgation under G.S. 58-33-130. The Commissioner may adopt, reject, or modify such recommendations. After the promulgation of rules under G.S. 58-33-130, the committees may from time to time make further recommendations to the Commissioner for additional rules or changes in existing rules.

(b) The property and ~~liability-casualty~~ advisory committee shall comprise:

- (1) Two employees of the Department of Insurance;
- (2) Two representatives from a list of four nominees submitted by the Independent Insurance Agents of North Carolina;
- (3) Repealed by Session Laws 1999-132, s. 6.3.
- (4) One representative of a licensed property and liability 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 property and liability 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 Community Colleges System Office.

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

- (1) Two employees of the Department of Insurance, which may be the same persons appointed under the 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~~ accident and health or sickness insurance producer 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 Community Colleges System Office."

PART XIV. MAKE TECHNICAL AND CONFORMING CHANGES

SECTION 14.(a) G.S. 58-2-45 reads as rewritten:

"§ 58-2-45. Orders of Commissioner; when writing required.

Whenever by any provision of Articles 1 through 64 of this Chapter, the Commissioner is authorized to grant any approval, authorization or permission or to make any other order affecting any insurer, insurance ~~agent, insurance broker~~ producer, or other person or persons subject to the provisions of Articles 1 through 64 of this Chapter, such order shall not be effective unless made in writing and signed by the Commissioner or by his authority."

SECTION 14.(b) G.S. 58-2-128(d)(3) reads as rewritten:

"(3) "Insurance producer" or "producer" means a person required to be licensed under this Article to sell, solicit, or negotiate insurance. "Insurance producer" or "producer" includes an ~~agent, a broker, and a limited representative~~ agent and a broker."

SECTION 14.(c) G.S. 58-2-162 reads as rewritten:

"§ 58-2-162. Embezzlement by insurance agents, ~~brokers~~, producers or administrators.

If any insurance ~~agent, broker, producer~~ or administrator embezzles or fraudulently converts to his own use, or, with intent to use or embezzle, takes, secretes, or otherwise disposes of, or fraudulently withholds, appropriates, lends, invests, or otherwise uses or applies any money, negotiable instrument, or other consideration received by him in his performance as ~~an agent, broker, a producer~~ or administrator, he shall be guilty of a felony. If the value of the money, negotiable instrument, or other consideration is one hundred thousand dollars (\$100,000) or more, violation of this section is a Class C felony. If the value of the money, negotiable instrument, or other consideration is less than one hundred thousand dollars (\$100,000), violation of this section is a Class H felony."

SECTION 14.(d) G.S. 58-2-185 reads as rewritten:

"§ 58-2-185. Record of business kept by companies and ~~agents~~; insurance producers; Commissioner may inspect.

All ~~companies, agents, or brokers~~ companies, insurance producers, or their agents doing any kind of insurance business in this State must make and keep a full and correct record of the business done by them, showing the number, date, term, amount insured, premiums, and the persons to whom issued, of every policy or certificate or renewal. Information from these records

must be furnished to the Commissioner on demand, and the original books of records shall be open to the inspection of the Commissioner when demanded."

SECTION 14.(e) G.S. 58-2-195 reads as rewritten:

"§ 58-2-195. **Commissioner may require records, reports, etc., for agencies, agents insurance producers, and others.**

(a) The Commissioner is empowered to make and promulgate reasonable rules and regulations governing the recording and reporting of insurance business transactions by insurance agencies, ~~agents, brokers~~ insurance producers, and producers of record, any of which agencies, ~~agents, brokers~~ insurance producers, or producers of record are licensed in this State or are transacting insurance business in this State to the end that such records and reports will accurately and separately reflect the insurance business transactions of such agency, ~~agent, broker~~ insurance producer, or producer of record in this State. Information from records required to be kept pursuant to the provisions of this section must be furnished the Commissioner on demand and the original records required to be kept pursuant to the provisions of this section shall be open to the inspection for the Commissioner or any other authorized employee described in G.S. 58-2-25 when demanded.

...

(e) Whenever the Commissioner deems it to be prudent for the protection of policyholders in this State, he or any other authorized employee described in G.S. 58-2-25 shall visit and examine any insurance agency, ~~agent, broker,~~ insurance producer, adjuster, motor vehicle damage appraiser, or producer of record. The refusal of any agency, ~~agent, broker,~~ insurance producer, adjuster, motor vehicle damage appraiser, or producer of record to submit to examination is grounds for the revocation or refusal of a license."

SECTION 14.(f) G.S. 58-3-5 reads as rewritten:

"§ 58-3-5. **No insurance contracts except under Articles 1 through 64 of this Chapter.**

Except as provided in G.S. 58-3-6, it is unlawful for any company to make any contract of insurance upon or concerning any property or interest or lives in this State, or with any resident thereof, or for any person as ~~insurance agent or insurance broker~~ an insurance producer to make, negotiate, solicit, or in any manner aid in the transaction of such insurance, unless and except as authorized under the provisions of Articles 1 through 64 of this Chapter."

SECTION 14.(g) G.S. 58-3-15 reads as rewritten:

"§ 58-3-15. **Additional or coinsurance clause.**

No insurance company or ~~agent~~ insurance producer licensed to do business in this State may issue any policy or contract of insurance covering property in this State that contains any clause or provision requiring the insured to take or maintain a larger amount of insurance than that expressed in the policy, nor in any way provide that the insured shall be liable as a coinsurer with the company issuing the policy for any part of the loss or damage to the property described in the policy, and any such clause or provision shall be null and void, and of no effect: Provided, the coinsurance clause or provision may be written in or attached to a policy or policies issued when there is printed or stamped on the declarations page of the policy or on the form containing the clause the words "coinsurance contract," and the Commissioner may, in the Commissioner's discretion, determine the location of the words "coinsurance contract" and the size of the type to be used. If there is a difference in the rate for the insurance with and without the coinsurance clause, the rates for each shall be furnished the insured upon request."

SECTION 14.(h) G.S. 58-3-100(d) reads as rewritten:

"(d) If a foreign insurance company's license is suspended or revoked, the Commissioner shall cause written notification of the suspension or revocation to be given to all of the company's ~~agents~~ insurance producers in this State. Until the Commissioner restores the company's license, the company shall not write any new business in this State."

SECTION 14.(i) G.S. 58-3-130 reads as rewritten:

"§ 58-3-130. Agent, insurance producer, adjuster, etc., acting without a license or violating insurance law.

If any person shall assume to act either as principal, ~~agent, broker, insurance producer,~~ limited representative, adjuster or motor vehicle damage appraiser without license as is required by law or, pretending to be a principal, ~~agent, broker, insurance producer,~~ limited representative, adjuster or licensed motor vehicle damage appraiser, shall solicit, examine or inspect any risk, or shall examine into, adjust, or aid in adjusting any loss, investigate or advise relative to the nature and amount of damages to motor vehicles or the amount necessary to effect repairs thereto, or shall receive, collect, or transmit any premium of insurance, or shall do any other act in the soliciting, making or executing any contract of insurance of any kind otherwise than the law permits, or as principal or agent shall violate any provision of law contained in Articles 1 through 64 of this Chapter, the punishment for which is not elsewhere provided for, he shall be deemed guilty of a Class 1 misdemeanor."

SECTION 14.(j) G.S. 58-3-140 reads as rewritten:

"§ 58-3-140. Temporary contracts of insurance permitted.

A lender engaged in making or servicing real estate mortgage or deed of trust loans on one to four family residences shall accept as evidence of insurance a temporary written contract of insurance meeting the requirements of G.S. 58-44-20(4) and issued by any duly licensed insurance ~~agent, broker, producer~~ or insurance company.

Nothing herein prohibits the lender from refusing to accept a binder or from disapproving such insurer or ~~agent insurance producer~~ provided such refusal or disapproval is reasonable.

Such lender need not accept a binder unless such binder:

- (1) Includes:
 - a. The name and address of the insured;
 - b. The name and address of the mortgagee;
 - c. A description of the insured collateral;
 - d. A provision that it may not be cancelled within a term of the binder except upon 10 days' written notice to the mortgagee; and
 - e. The amount of insurance bound.
- (2) Is accompanied by a paid receipt for one year's premium, except in the case of the renewal of a policy subsequent to the closing of a loan; and
- (3) Includes an undertaking of ~~agent insurance producer~~ to use his best efforts to have the insurance company issue a policy.

The Department may require binders to contain any additional information to permit the binders to comply with the reasonable requirements of Fannie Mae, the Government National Mortgage Association, or the Federal Home Loan Mortgage Corporation for purchase of mortgage loans."

SECTION 14.(k) G.S. 58-3-145 reads as rewritten:

"§ 58-3-145. Solicitation, negotiation or payment of premiums on insurance policies.

An ~~insurer, agent, or broker~~ insurer or insurance producer may accept payment of an insurance premium by credit card or debit card if the insurer accepting payment by credit card or debit card meets the following conditions:

- (1) The insurer complies with the prohibition against unfair discrimination contained in G.S. 58-63-15(7).
- (2) The insurer pays the fees charged by the credit card company or debit card issuer for the payment of premiums by credit card or debit card."

SECTION 14.(l) G.S. 58-3-147 reads as rewritten:

"§ 58-3-147. Credit card guaranty or collateral prohibited.

No insurer, representative of any insurer, or insurance ~~broker producer~~ shall enter into any arrangement that involves the sale of insurance or the pledging of existing insurance as guaranty or collateral for the issuance of any credit card."

SECTION 14.(m) G.S. 58-3-155(a)(1) reads as rewritten:

"(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.~~ has the same meaning as defined in G.S. 58-33-10(3)."

SECTION 14.(n) G.S. 58-3-180(d) reads as rewritten:

"(d) As used in this section, "insurer representative" includes an insurance ~~agent,~~ producer, limited representative, ~~broker,~~ adjuster, and appraiser."

SECTION 14.(o) G.S. 58-3-275(a)(2) reads as rewritten:

"(a) An insurer that determines to create a closed block of business in this State shall no later than 60 days prior to the closure date:

...

- (2) Inform each ~~agent and broker~~ insurance producer selling the product of the decision and the date of closure."

SECTION 14.(p) G.S. 58-7-55 reads as rewritten:

"§ 58-7-55. Exceptions to requirements of G.S. 58-7-50.

The provisions of G.S. 58-7-50 shall not be deemed to prohibit or prevent an insurer from:

...

- (5) Permitting policyholder and certificate holder records and claims and other information to be kept and maintained by insurance producers, agents, general agents, third-party administrators, creditors, employers, associations, and others in the ordinary course of business in a manner customary or suitable to the kind or kinds of insurance transacted; provided, however, that the insurer shall, upon reasonable notice, make available to the Commissioner or his designee any records or other information permitted by this subsection to be maintained outside this State."

SECTION 14.(q) G.S. 58-9-2(a)(7) reads as rewritten:

"§ 58-9-2. Reinsurance intermediaries.

(a) As used in this Article:

...

- (7) "Producer" means an insurance ~~agent or insurance broker~~ producer licensed under Article 33 of this Chapter or an intermediary licensed under this Article."

SECTION 14.(r) G.S. 58-10-30(a) reads as rewritten:

"(a) The transferring insurer shall provide or cause to be provided to each policyholder a notice of transfer by first-class mail, addressed to the policyholder's last known address or to the address to which premium notices or other policy documents are sent; or with respect to home service business, by personal delivery with acknowledged receipt. A notice of transfer shall also be sent to the transferring insurer's ~~agents or brokers~~ insurance producers of record on the affected policies."

SECTION 14.(s) G.S. 58-10-650 reads as rewritten:

"§ 58-10-650. Other laws applicable to captive insurance companies.

In addition to the statutes and laws previously referred to in this Part, the following provisions of this Chapter are applicable to all captive insurance companies subject to this Part:

...

- (3) G.S. 58-2-162. – Embezzlement by insurance ~~agents, brokers,~~ producers, or administrators.
- (4) G.S. 58-2-185. – Record of business kept by companies and ~~agents;~~ insurance producers; Commissioner may inspect.
- (5) G.S. 58-2-190. – Commissioner may require special reports.

(6) G.S. 58-2-195. – Commissioner may require records, reports, etc., for agencies, ~~agents,~~insurance producers, and others.

...."

SECTION 14.(t) G.S. 58-15-55 reads as rewritten:

"§ 58-15-55. Agent's Insurance producer license.

No person shall act in this State as an agent of a reciprocal in the solicitation or procurement of applications for insurance, subscriber's agreements, or powers of attorney, or in the collection of premiums in connection with the reciprocal, without first procuring an ~~agent's insurance producer~~ license from the Commissioner pursuant to Article 33 of this Chapter. An agent shall be appointed by each reciprocal the agent represents."

SECTION 14.(u) G.S. 58-19-10(a)(2) reads as rewritten:

"(a) Any domestic insurer, either by itself or in cooperation with one or more persons, may organize or acquire one or more subsidiaries engaged in the following kinds of business:

...

(2) Acting as an insurance ~~broker or as an insurance agent-producer~~ for its parent or for any of its parent's insurer subsidiaries."

SECTION 14.(v) G.S. 58-21-10 reads as rewritten:

"§ 58-21-10. Definitions.

As used in this Article:

...

(6) "Producing broker" means an ~~agent or broker~~ insurance producer licensed under Article 33 of this Chapter who deals directly with the party seeking insurance and who may also be a surplus lines licensee.

...."

SECTION 14.(w) G.S. 58-21-21(g) reads as rewritten:

"(g) All financial and solvency requirements imposed upon domestic admitted insurers including the following, shall apply to nonadmitted domestic surplus lines insurers unless nonadmitted domestic surplus lines insurers are otherwise specifically exempted:

G.S. 58-1-5.	Definitions.
G.S. 58-2-125.	Authority over all insurance companies; no exemptions from license.
G.S. 58-2-131.	Examinations to be made; authority, scope, scheduling, and conduct of examinations.
G.S. 58-2-132.	Examination Reports.
G.S. 58-2-133.	Conflict of interest; cost of examinations; immunity from liability.
G.S. 58-2-134.	Cost of certain examinations.
G.S. 58-2-150.	Oath required for compliance with law.
G.S. 58-2-155.	Investigation of charges.
G.S. 58-2-160.	Reporting and investigation of insurance and reinsurance fraud and the financial condition of licensees; immunity from liability.
G.S. 58-2-162.	Embezzlement by insurance agents, brokers, <u>producers</u> or administrators.
G.S. 58-2-165.	Annual, semiannual, monthly, or quarterly statements to be filed with Commissioner.
G.S. 58-2-185.	Record of business kept by companies and agents; <u>insurance producers;</u> Commissioner may inspect.
G.S. 58-2-190.	Commissioner may require special reports.
G.S. 58-2-195.	Commissioner may require records, reports, etc., for agencies, agents, <u>insurance producers,</u> and others.

...."

SECTION 14.(x) G.S. 58-21-65 reads as rewritten:

"§ 58-21-65. Licensing of surplus lines license.

(a) For insureds whose home state is this State, no ~~agent or broker~~ insurance producer licensed by the Commissioner shall directly procure any contract of surplus lines insurance with any nonadmitted domestic surplus lines insurer or nonadmitted insurer, unless he possesses a current surplus lines insurance license issued by the Commissioner.

(b) The Commissioner shall issue a surplus lines license to any qualified holder of a current ~~property and casualty agent's license,~~ insurance producer license with property and casualty lines of authority, but only when the agent has done all of the following:

- (1) Remitted the fifty dollars (\$50.00) annual fee to the Commissioner.
- (2) Submitted a completed license application on a form supplied by the Commissioner, and the application has been approved by the Commissioner.
- (3) Passed a qualifying examination approved by the Commissioner; except that all holders of a license prior to July 11, 1985 shall be deemed to have passed such an examination.
- (4) Repealed by Session Laws 2004-199, s. 20(c), effective August 17, 2004.

...."

SECTION 14.(y) G.S. 58-21-70(a) reads as rewritten:

"(a) A surplus lines licensee may originate surplus lines insurance or accept such insurance from any other duly licensed ~~agent or broker,~~ insurance producer, and the surplus lines licensee may compensate such ~~agent or broker~~ insurance producer therefor."

SECTION 14.(z) G.S. 58-22-20 reads as rewritten:

"§ 58-22-20. Risk retention groups not chartered in this State.

Risk retention groups that have been chartered in states other than this State and that seek to do business as risk retention groups in this state must observe and abide by the laws of this State as follows:

...

(3) Taxation.

- a. All premiums paid for coverages within this State to risk retention groups shall be subject to taxation at the same rate and subject to the same payment procedures and to the same interest, fines, and penalties for nonpayment as those applicable to surplus lines insurance under Article 21 of this Chapter. Premiums paid by purchasing groups are, however, taxed as provided in G.S. 58-22-35(b).
- b. To the extent licensed ~~agents or brokers~~ insurance producers are utilized pursuant to G.S. 58-22-60, they shall report and pay the taxes for the premiums for risks that they have placed with or on behalf of a risk retention group not chartered in this State. Such ~~agent or broker~~ insurance producer shall keep a complete and separate record of all policies procured from each such risk retention group, which record shall be open to examination by the Commissioner, as provided in G.S. 58-2-185. These records shall, for each policy and each kind of insurance provided thereunder, include the following:
 1. The limit of liability;
 2. The time period covered;
 3. The effective date;
 4. The name of the risk retention group that issued the policy;
 5. The gross premium charged; and
 6. The amount of return premiums, if any.

- c. To the extent that insurance ~~agents or brokers~~ producers are not utilized or fail to pay the tax, each risk retention group shall pay the tax for risks insured within the State. Each risk retention group shall report to the Commissioner all premiums paid to it for risks insured within the State.

...."

SECTION 14.(aa) G.S. 58-22-35(b)(2) reads as rewritten:

"(b) Taxes on premiums paid for coverage of risks resident or located in this State by a purchasing group or any members of the purchasing group shall be:

...

- (2) Paid first by such insurance source, and if not by such source then by the ~~agent or broker~~ insurance producer for the purchasing group, and if not by such ~~agent or broker~~ insurance producer then by the purchasing group, and if not by such group then by each of its members."

SECTION 14.(bb) G.S. 58-22-45(a) reads as rewritten:

"(a) A purchasing group may not purchase insurance from a risk retention group that is not chartered in a state nor from an insurer not admitted in the state in which the purchasing group is located, unless the purchase is effected through a licensed ~~agent or broker~~ producer acting pursuant to the surplus lines laws and regulations of such state."

SECTION 14.(cc) G.S. 58-22-60 reads as rewritten:

"§ 58-22-60. **Duty of agents or brokers to obtain license.**

Any person acting, or offering to act, as an agent or broker for a risk retention group or purchasing group, that solicits members, sells insurance coverage, purchases coverage for its members located within the State, or otherwise does business in this State shall, before commencing any such activity, obtain a ~~an~~ insurance producer license from the Commissioner."

SECTION 14.(dd) G.S. 58-24-160(a) reads as rewritten:

"(a) Agents of societies shall be licensed in accordance with the provisions of the general insurance laws regulating the licensing, revocation, suspension or termination of license of resident and nonresident ~~agents;~~ insurance producers; provided that agents licensed pursuant to former G.S. 58-268 as of July 1, 1977, shall be exempt from examination."

SECTION 14.(ee) G.S. 58-25-25 reads as rewritten:

"§ 58-25-25. **Conditions precedent to doing business.**

Any such fraternal order, society, or association as defined by this Article, chartered and organized in this State or organized and doing business under the laws of any other state, district, province, or territory, having the qualifications required of domestic societies of like character, upon satisfying the Commissioner that its business is proper and legitimate and so conducted, may be admitted to transact business in this State upon the same conditions as are prescribed by Articles 1 through 64 of this Chapter for admitting and authorizing foreign insurance companies to do business in this State, except that such fraternal orders shall not be required to have the capital required of such insurance companies. Organizers or agents shall be licensed without requiring an examination; provided, organizers or agents who are engaged in or intend to engage in the sale of individual policies of life insurance shall take the examination required of life insurance ~~agents.~~ producers. Those organizers or agents licensed for the sale of insurance pursuant to former G.S. 58-268 as of July 1, 1977, shall be exempt from examination."

SECTION 14.(ff) G.S. 58-34-2(c) reads as rewritten:

"(c) No person shall act as an MGA with respect to risks located in this State for an insurer unless that person is a licensed ~~agent~~ insurance producer in this State. No person shall act as an MGA representing an insurer with respect to risks located outside of this State unless that person is licensed as an ~~agent~~ insurance producer in this State; and the license may be a nonresident license. The Commissioner may require a bond in an amount acceptable to the Commissioner for

the protection of the insurer. The Commissioner may require the MGA to maintain an errors and omissions policy."

SECTION 14.(gg) G.S. 58-35-1 reads as rewritten:

"§ 58-35-1. Definitions.

When used in this Article:

- (1) An insurance premium finance company is hereby defined to be:
 - a. Any person engaged, in whole or in part, in the business of entering into insurance premium finance agreements with insureds; or
 - b. Any person engaged, in whole or in part, in the business of acquiring insurance premium finance agreements from other insurance premium finance companies.
- (2) "Insurance premium finance agreement" means a promissory note or other written agreement by which an insured promises or agrees to pay to, or to the order of, an insurance premium finance company the amount advanced or to be advanced under the agreement to an insurer or to an insurance ~~agent~~, producer, in payment of premiums on an insurance contract, together with a service charge as authorized and limited by this Article."

SECTION 14.(hh) G.S. 58-35-5(e) reads as rewritten:

- "(e) There shall be two types of licenses issued to an insurance premium finance company:
- (1) An "A" type license shall be issued to insurance premium finance companies whose business of insurance premium financing is limited to the financing of insurance premiums of one insurance ~~agent-producer~~ or agency and whose primary function is to finance only the insurance premium of such ~~agent~~ insurance producer or agency. The license fee for an "A" type license shall be six hundred dollars (\$600.00) for each license year or part thereof.
 - (2) A "B" type license shall be issued to an insurance premium finance company whose business of insurance premium financing is not limited to the financing of insurance premiums of one insurance ~~agent-producer~~ or agency and whose primary function is to finance the insurance premiums of more than one insurance ~~agent-producer~~ or agency. The license fee for a "B" type license shall be two thousand four hundred dollars (\$2,400) for each license year or part thereof.

A branch office license may be issued for either an "A" type or "B" type license to the second and any subsequent locations where the company operates an office. The fee for the branch office license shall be one hundred dollars (\$100.00) for each license year or part thereof. The examination fee when required by this section shall be two hundred fifty dollars (\$250.00) per application."

SECTION 14.(ii) G.S. 58-35-10(c) reads as rewritten:

"(c) ~~A fire and casualty~~ An insurance agent or an insurance broker-producer with a property and casualty lines of authority duly licensed in this State who extends credit to and only to his own policyholders may charge and collect finance charges or other fees at a periodic (monthly) rate as provided in G.S. 24-11(a), after said amount has been outstanding for 30 days, and is hereby exempt from the provisions of this Article. Notwithstanding the exceptions set forth in subsections (a), (b) and (c) of this section, when any person, firm, or corporation shall exercise a power of attorney taken in connection with the financing of an insurance premium, such person, firm or corporation shall comply with the requirements of G.S. 58-35-85, as if it were an insurance premium financing company."

SECTION 14.(jj) G.S. 58-35-40 reads as rewritten:

"§ 58-35-40. Rebates and inducements prohibited; assignment of insurance premium finance agreements.

(a) No insurance premium finance company shall pay, allow, or offer to pay or allow payment to an insurance ~~agent, producer,~~ and no insurance ~~agent-producer~~ shall accept from a company, a rebate as an inducement to the financing of an insurance policy with the company. No insurance premium finance company shall give or offer to give to an insurance ~~agent, producer,~~ and no insurance ~~agent-producer~~ shall accept from a company, any valuable consideration or inducement of any kind, directly or indirectly, other than an article of merchandise not exceeding one dollar (\$1.00) in value which shall have thereon the advertisement of the insurance premium finance company. An insurance premium finance company may purchase or otherwise acquire an insurance premium finance agreement from another insurance premium finance company with recourse against the insurance premium finance company on such terms and conditions as may be mutually agreed upon by the parties, if the agreement complies with the requirements of this Article. The terms and conditions of the agreement shall be subject to the approval of the Commissioner.

(b) No filing of the assignment or notice thereof to the insured shall be necessary to the validity of the written assignment of an insurance premium finance agreement as against creditors or subsequent purchases, pledges, or encumbrancers of the assignor.

(c) As used in this section, the term "insurance premium finance company" includes employees of the company; the term "~~insurance agent~~" "insurance producer" includes employees of the insurance ~~agent, producer;~~ and the word "company" means an insurance premium finance company."

SECTION 14.(kk) G.S. 58-35-50(b) reads as rewritten:

"(b) An insurance premium finance agreement shall:

(1) Contain the following:

- a. The name and place of business of the insurance ~~agent or broker~~ producer negotiating the related insurance contract;
- b. The name of the insured and the residence, the place of business, or any other mailing address of the insured as specified by the insured;
- c. The name and place of business of the insurance premium finance company to which installments or other payments are to be made;
- d. A brief description of the insurance contract;
- e. The premiums for which are advanced or to be advanced under the agreement; and
- f. The amount of the premiums for such insurance contract; and

...."

SECTION 14.(ll) G.S. 58-35-55(e) reads as rewritten:

"(e) No insurance ~~agent-producer~~ or insurance premium finance company shall induce an insured to become obligated under more than one insurance premium finance agreement for the purpose of or with the effect of obtaining service charges in excess of those authorized by this Article."

SECTION 14.(mm) G.S. 58-35-60 reads as rewritten:

"§ 58-35-60. **Prohibited provisions in insurance premium finance agreements.**

No insurance premium finance agreement shall contain any provisions by which:

- (1) In the absence of default of the insured, the insurance premium finance company holding the agreement may, arbitrarily and without reasonable cause, accelerate the maturity of any part or all of the amount owing thereunder;
- (2) A power of attorney is given to confess judgment in this State; or
- (3) The insured relieves the insurance ~~agent-producer~~ or the insurance premium finance company holding the agreement from liability for any legal rights or remedies which the insured may otherwise have against him."

SECTION 14.(nn) G.S. 58-35-65 reads as rewritten:

"§ 58-35-65. Delivery of copy of insurance premium finance agreement to insured.

Before the due date of the first installment payable under an insurance premium finance agreement, the insurance premium finance company holding the agreement or the insurance ~~agent-producer~~ shall cause to be delivered to the insured, or mail to the insured at the insured's address as shown in the agreement, a copy of the agreement."

SECTION 14.(oo) G.S. 58-35-85 reads as rewritten:

"§ 58-35-85. Procedure for cancellation of insurance contract upon default; return of unearned premiums; collection of cash surrender value.

When an insurance premium finance agreement contains a power of attorney or other authority enabling the insurance premium finance company to cancel any insurance contract or contracts listed in the agreement, the insurance contract or contracts shall not be cancelled unless the cancellation is effectuated in accordance with the following provisions:

- (1) Not less than 10 days' written notice is sent by personal delivery, first-class mail, electronic mail, or facsimile transmission to the last known address of the insured or insureds shown on the insurance premium finance agreement of the intent of the insurance premium finance company to cancel his or their insurance contract or contracts unless the defaulted installment payment is received. Notification thereof shall also be provided to the insurance ~~agent-producer~~.
- (2) After expiration of the 10-day period, the insurance premium finance company shall send the insurer a request for cancellation and shall send notice of the requested cancellation to the insured by personal delivery, first-class mail, electronic mail, electronic transmission, or facsimile transmission at his last known address as shown on the records of the insurance premium finance company and to the ~~agent-insurance producer~~. Upon written request of the insurance company, the premium finance company shall furnish a copy of the power of attorney to the insurance company. The written request shall be sent by mail, personal delivery, electronic mail, or facsimile transmission.
- ...
- (4a) If an insurer receives notification from an insurance ~~agent-producer~~ or premium finance company that the initial down payment for the premium being financed has been dishonored by a financial institution, or otherwise unpaid, there is no valid contract for insurance and the policy will be voided.

...."

SECTION 14.(pp) G.S. 58-36-1 reads as rewritten:

"§ 58-36-1. North Carolina Rate Bureau created.

There is hereby created a Bureau to be known as the "North Carolina Rate Bureau," with the following objects and functions:

...

- (5) a. It is the duty of every insurer that writes workers' compensation insurance in this State and is a member of the Bureau, as defined in this section and G.S. 58-36-5 to insure and accept any workers' compensation insurance risk that has been certified to be "difficult to place" by any fire and casualty insurance ~~agent-producer with property and casualty lines of authority~~ who is licensed in this State. When any such risk is called to the attention of the Bureau by receipt of an application with an estimated or deposit premium payment and it appears that the risk is in good faith entitled to such coverage, the Bureau will bind coverage for 30 days and will designate a member who must issue a standard workers' compensation policy of insurance that contains the usual and customary provisions found in those

policies. Multiple coordinated policies, as defined by the Bureau and approved by the Commissioner, may be used for the issuance of coverage under this subdivision for risks involved in employee leasing arrangements. Coverage will be bound at 12:01 A.M. on the first day following the postmark time and date on the envelope in which the application is mailed including the estimated annual or deposit premium, or the expiration of existing coverage, whichever is later. If there should be no postmark, coverage will be effective 12:01 A.M. on the date of receipt by the Bureau unless a later date is requested. Those applications hand delivered to the Bureau will be effective as of 12:01 A.M. of the date following receipt by the Bureau unless a later date is requested. The Bureau will make and adopt such rules as are necessary to carry this section into effect, subject to final approval of the Commissioner. As a prerequisite to the transaction of workers' compensation insurance in this State, every member of the Bureau that writes such insurance must file with the Bureau written authority permitting the Bureau to act in its behalf, as provided in this section, and an agreement to accept risks that are assigned to the member by the Bureau, as provided in this section.

- b. The Bureau shall maintain a compendium of employers refused voluntary coverage, which shall be made available by the Bureau to all insurers, licensed ~~agents,~~ producers, and self-insureds' administrators doing business in this State. It shall be stored and indexed to allow access to information by industry, primary classifications of employees, geography, experience modification, and in any other manner the Bureau determines is commercially useful to facilitate voluntary coverage of listed employers. The Bureau shall be immune from civil liability for erroneous information released by the Bureau pursuant to this section, provided that the Bureau acted in good faith and without malicious or willful intent to harm in releasing the erroneous information.
- c. Failure or refusal by any assigned employer risk to make full disclosure to the Bureau, servicing carrier, or insurer writing a policy of information regarding the employer's true ownership, change of ownership, operations, or payroll, or any other failure to disclose fully any records pertaining to workers' compensation insurance shall be sufficient grounds for the termination of the policy of that employer.

...."

SECTION 14.(qq) G.S. 58-36-45 reads as rewritten:

"§ 58-36-45. Notice of coverage or rate change.

Whenever an insurer changes the coverage other than at the request of the insured or changes the premium rate, it shall give the insured written notice of such coverage change or premium rate change at least 15 days in advance of the effective date of such change or changes with a copy of such notice to the ~~agent.~~ insurance producer. This section shall apply to all policies and coverages subject to the provisions of this Article except workers' compensation insurance and employers' liability insurance written in connection therewith."

SECTION 14.(rr) G.S. 58-36-85(h) reads as rewritten:

"(h) Liability Limit. – There is no liability on the part of and no cause of action for defamation or invasion of privacy arises against an insurer, an insurer's authorized representatives, agents, or employees, or a licensed insurance ~~agent or broker~~ producer for a communication or statement made concerning a written notice of termination."

SECTION 14.(ss) G.S. 58-36-90(e) reads as rewritten:

"(e) Indemnification. – An insurer shall indemnify, defend, and hold ~~agents–insurance producers~~ harmless from and against all liability, fees, and costs arising out of or relating to the actions, errors, or omissions of an ~~agent–insurance producer~~ who obtains or uses credit information or credit scores for an insurer, provided the ~~agent–insurance producer~~ follows the instructions or procedures established by the insurer and complies with any applicable law or regulation. Nothing in this subsection shall be construed to provide a consumer or other insured with a cause of action that does not exist in the absence of this subsection."

SECTION 14.(tt) G.S. 58-36-105(e) reads as rewritten:

"(e) Copies of the notice required by this section shall also be sent to the ~~agent or broker insurance producer~~ of record though failure to send copies of the notice to those persons shall not invalidate the cancellation. Mailing copies of the notice by regular first-class mail to the ~~agent or broker–insurance producer~~ of record satisfies the requirements of this subsection."

SECTION 14.(uu) G.S. 58-36-110(f) reads as rewritten:

"(f) Copies of the notice required by this section shall also be sent to the ~~agent or broker insurance producer~~ of record, though failure to send copies of the notice to such persons shall not invalidate the nonrenewal."

SECTION 14.(vv) G.S. 58-37-25(c) reads as rewritten:

"(c) Upon the written request of any eligible risk who has been notified pursuant to subsection (b) of this section that his motor vehicle insurance policy has been ceded to the Facility, the insurer ceding the insurance policy must provide in writing to that eligible risk the specific reason or reasons for the decision to cede that policy to the Facility. Proof of mailing of the written reason or reasons is sufficient proof of compliance with this obligation. With regard to any notice of cession or any written or oral communications specifying the reason or reasons for cession, there will be no liability on the part of, and no cause of action of any nature will arise against, (i) any insurer or its authorized representatives, agents, or employees, or (ii) any licensed ~~agent, broker,–insurance producer~~ or persons who furnish to the insurer information as to the reason or reasons for the cession, for any communications or statements made by them, unless the communications or statements are shown to have been made in bad faith with malice in fact."

SECTION 14.(ww) G.S. 58-37-30 reads as rewritten:

"§ 58-37-30. General obligations of ~~agents–insurance producers~~.

(a) Except as otherwise provided in this Article, no licensed ~~agent–insurance producer~~ of an insurer authorized to solicit and accept premiums for motor vehicle insurance or any component thereof by the company he represents shall refuse on behalf of said company to accept any application from an eligible risk for such insurance and to immediately bind the coverage applied for and for a period of not less than six months if cession of the particular coverage and coverage limits applied for are permitted in the Facility, provided the application is submitted during the ~~agent's–insurance producer's~~ normal business hours, at his customary place of business and in accordance with the ~~agent's–insurance producer's~~ customary practices and procedures. The commission paid on the insurance coverages provided in this Article shall not be less than the commission on insurance coverage written through the North Carolina Insurance Plan on May 1, 1973. The same commission shall apply uniformly statewide.

(b) It shall be the responsibility of the ~~agent–insurance producer~~ to write the coverage applied for at what he believes to be the appropriate rate level. If coverage is written at the Facility rate level and the company elects not to cede, the policy shall be rated at a rate under Article 36 of this Chapter. Coverage written at a rate under Article 36 of this Chapter that is not acceptable to the company must either be placed with another company or rated at the Facility rate level by the ~~agent–insurance producer~~."

SECTION 14.(xx) G.S. 58-37-35 reads as rewritten:

"§ 58-37-35. The Facility; functions; administration.

...

(d) The Facility shall be administered by a Board of Governors. The Board of Governors shall consist of 12 members having one vote each from the classifications specified in this subsection and the Commissioner, who shall serve ex officio without vote. Each Facility insurance company member serving on the Board shall be represented by a senior officer of the company. Not more than one company in a group under the same ownership or management shall be represented on the Board at the same time. Five members of the Board shall be selected by the member insurers, which members shall be fairly representative of the industry. To insure representative member insurers, one each shall be selected from the following: the American Insurance Association (or its successors), the Property Casualty Insurers Association of America (or its successors), stock insurers not affiliated with those trade associations, nonstock insurers not affiliated with those trade associations, and the industry at large regardless of trade affiliation. The at-large insurer shall be selected by the insurer company members of the Board. The Commissioner shall appoint two members of the Board who are Facility insurance company members domiciled in this State. The Commissioner shall appoint five members of the Board who shall be ~~fire and casualty insurance agents~~ producers with property and casualty lines of authority licensed in this State and actively engaged in writing motor vehicle insurance in this State. The term of office of the Board members shall be three years. All members of the Board of Governors shall serve until their successors are selected and qualified and the Commissioner may fill any vacancy on the Board from any of the classifications specified in this subsection until the vacancies are filled in accordance with this Article. The Board of Governors of the Facility shall also have as nonvoting members two persons who are not employed by or affiliated with any insurance company or the Department and who are appointed by the Governor to serve at the Governor's pleasure.

...

(g) Except as may be delegated specifically to others in the plan of operation or reserved to the members, power and responsibility for the establishment and operation of the Facility is vested in the Board of Governors, which power and responsibility include but is not limited to the following:

- (1) To sue and be sued in the name of the Facility. No judgment against the Facility shall create any direct liability in the individual member companies of the Facility.
- (2) To receive and record cessions.
- (3) To assess members on the basis of participation ratios established in the plan of operation to cover anticipated or incurred costs of operation and administration of the Facility at such intervals as are established in the plan of operation.
- (4) To contract for goods and services from others to assure the efficient operation of the Facility.
- (5) To hear and determine complaints of any company, ~~agent~~ insurance producer, or other interested party concerning the operation of the Facility.
- (6) Upon the request of any licensed ~~fire and casualty agent~~ insurance producer with property and casualty lines of authority meeting any two of the standards set forth below as determined by the Commissioner within 10 days of the receipt of the application, the Facility shall contract with one or more members within 20 days of receipt of the determination to appoint such licensed ~~fire and casualty agent~~ insurance producer with property and casualty lines of authority as designated agents in accordance with reasonable rules as are established by the plan of operation. The standards shall be:
 - a. Whether the ~~agent's~~ insurance producer's evidence establishes that he has been conducting his business in a community for a period of at least one year;

- b. Whether the ~~agent's insurance producer's~~ evidence establishes that he had a gross premium volume during the 13 months next preceding the date of his application of at least twenty thousand dollars (\$20,000) from motor vehicle insurance;
- c. Whether the ~~agent's insurance producer's~~ evidence establishes that the number of eligible risks served by him during the 13 months next preceding the date of application was 200 or more;
- d. Whether the ~~agent's insurance producer's~~ evidence establishes a growth in eligible risks served and premium volume during his years of service as an agent;
- e. Whether the ~~agent's insurance producer's~~ evidence establishes that he made available to eligible risks premium financing or any other plan for deferred payment of premiums.

With respect to business produced by designated agents, adequate provision shall be made by the Facility to assure that such business is rated using Facility rates. All business produced by designated agents may be ceded to the Facility, except designated agents appointed before September 1, 1987, may place liability insurance policies with a voluntary carrier, provided that all policies written by the voluntary carrier are retained by the voluntary carrier unless ceded to the Facility using Facility rates. Designated agents must provide the Facility with a list of such policies written by the voluntary carrier at least annually, or as requested by the Facility, on a form approved by the Facility. If no insurer is willing to contract with any such ~~agent insurance producer~~ on terms acceptable to the Board, the Facility shall ~~license~~ authorize such agent insurance producer to write directly on behalf of the Facility. However, for this purpose the Facility does not act as an insurer, but acts only as the statutory agent of all of the members of the Facility, which shall be bound on risks written by the Facility's appointed agent. The Facility may contract with one or more servicing carriers and shall promulgate fair and reasonable underwriting procedures to require that business produced by Facility agents and written through those servicing carriers shall be rated using Facility rates. All business produced by Facility agents may be ceded to the Facility. Any designated agent who is disabled or retiring or the estate of any deceased designated agent may transfer the designation and the book of business to some other licensed ~~fire and casualty agent insurance producer~~ with property and casualty lines of authority meeting the requirements of this section and under rules established by the Facility, and a transfer from a designated agent appointed before September 1, 1987, shall entitle the transferee designated agent to place liability insurance policies with a voluntary carrier.

The Commissioner shall require, as a condition precedent to the issuance, renewal, or continuation of a resident ~~agent's insurance producer's~~ license to any designated agent to act for the company appointing such designated agent under contract with the Facility, that the designated agent file and thereafter maintain in force while so licensed a bond in favor of the State of North Carolina executed by an authorized corporate surety approved by the Commissioner, cash, mortgage on real property, or other securities approved by the Commissioner, in the amount of ten thousand dollars (\$10,000) for the use of aggrieved persons. Such bond, cash, mortgage, or other securities shall be conditioned on the accounting by the designated agent (i) to any person requesting the designated agent to obtain motor vehicle insurance for moneys

or premiums collected in connection therewith, and (ii) to the company providing coverage with respect to any such moneys or premiums under contract with the Facility. Any such bond shall remain in force until the surety is released from liability by the Commissioner, or until the bond is cancelled by the surety. Without prejudice to any liability accrued prior to such cancellation, the surety may cancel the bond upon 30 days' advance notice in writing filed with the Commissioner.

No ~~agent-insurance producer~~ may be designated under this subdivision to any insurer that does not actively write voluntary market business.

...."

SECTION 14.(yy) G.S. 58-37-65(a) reads as rewritten:

"(a) Any applicant for a policy from any carrier, any person insured under such a policy, any member of the Facility and any ~~agent-insurance producer~~ duly licensed to write motor vehicle insurance, may request a formal hearing and ruling by the Board of Governors of the Facility on any alleged violation of or failure to comply with the plan of operation or the provisions of this Article or any alleged improper act or ruling of the Facility directly affecting him as to coverage or premium or in the case of a member directly affecting its assessment, and in the case of an ~~agent-insurance producer~~, any matter affecting his appointment to a carrier or his account therewith. The request for hearing must be made within 15 days after the date of the alleged violation or improper act or ruling. The hearing shall be held within 15 days after the receipt of the request. The hearing may be held by any panel of the Board of Governors consisting of not less than three members thereof, and the ruling of a majority of the panel shall be deemed to be the formal ruling of the Board, unless the full Board on its own motion shall modify or rescind the action of the panel."

SECTION 14.(zz) G.S. 58-41-15(e) reads as rewritten:

"(e) Copies of the notice required by this section shall also be sent to the ~~agent or broker insurance producer~~ of record; however, failure to send copies of the notice to such persons shall not invalidate the cancellation."

SECTION 14.(aaa) G.S. 58-41-20(f) reads as rewritten:

"(f) Copies of the notice required by this section shall also be sent the ~~agent or broker insurance producer~~ of record; however, failure to send copies of the notice to such persons shall not invalidate the nonrenewal."

SECTION 14.(bbb) G.S. 58-41-25(e) reads as rewritten:

"(e) Copies of the notice required by this section shall also be given or mailed to any designated mortgagee or loss payee and may also be given or mailed to the ~~agent or broker insurance producer~~ of record."

SECTION 14.(ccc) G.S. 58-41-40 reads as rewritten:

"§ 58-41-40. No liability for statements or communications made in good faith; prior notice to ~~agents or brokers insurance producers~~.

(a) There is no liability on the part of and no cause of action for defamation or invasion of privacy arises against any insurer or its authorized representatives, agents, or employees, or any licensed insurance ~~agent or broker, producer~~, for any communication or statement made, unless shown to have been made in bad faith with malice, in any of the following:

- (1) A written notice of cancellation under G.S. 58-41-15 or of nonrenewal under G.S. 58-41-20, specifying the reasons for cancellation.
- (2) Communications providing information pertaining to the cancellation or nonrenewal.
- (3) Evidence submitted at any court proceeding, administrative hearing, or informal inquiry in which the cancellation or nonrenewal is an issue.

(b) With respect to the notices that must be given or mailed to ~~agents or brokers~~ insurance producers under G.S. 58-41-15, 58-41-20, and 58-41-25, the insurer may give or mail that notice at the same time or prior to giving or mailing the notice to the insured."

SECTION 14.(ddd) G.S. 58-42-10(a) reads as rewritten:

"(a) Each plan shall require participation:

- (1) By all insurers licensed in this State to write the kinds of insurance covered by the specific plan;
- (2) By all ~~agents~~ insurance producers licensed and appointed to represent those insurers for that kind of insurance; and
- (3) By every statistical organization that makes rates for that kind of insurance."

SECTION 14.(eee) G.S. 58-42-20 reads as rewritten:

"§ 58-42-20. Classification and rates.

Each plan shall provide for:

- (1) The method of classifying risks;
- (2) The making and filing of rates that are not excessive, inadequate, or unfairly discriminatory and that are calculated on an actuarially sound basis and policy forms applicable to the various risks insured by the plan;
- (3) The adjusting and processing of claims;
- (4) The commission rates to be paid to ~~agents or brokers~~ insurance producers for coverages written by the plan; and
- (5) Any other insurance or investment functions that are necessary for the purpose of providing adequate and readily accessible coverage."

SECTION 14.(fff) G.S. 58-42-30 reads as rewritten:

"§ 58-42-30. Duty to provide information.

Every participating insurer and ~~agent~~ insurance producer shall provide to any person seeking the insurance available in each plan, information about the services prescribed in the plan, including full information on the requirements and procedures for obtaining insurance under the plan, whenever the insurance is not readily available in the voluntary market."

SECTION 14.(ggg) G.S. 58-42-35 reads as rewritten:

"§ 58-42-35. Provision of marketing facilities.

If the Commissioner finds that the lack of participating insurers or ~~agents~~ insurance producers in a geographic area makes the functioning of a plan difficult, he may order that the plan appoint ~~agents~~ insurance producers on such terms as he designates or that the plan take other appropriate steps to guarantee that service is available."

SECTION 14.(hhh) G.S. 58-43-5 reads as rewritten:

"§ 58-43-5. Limitation as to amount and term; indemnity contracts for difference in actual value and cost of replacement; functional replacement.

No insurance company or ~~agent~~ insurance producer shall knowingly issue any fire insurance policy upon property within this State for an amount which, together with any existing insurance thereon, exceeds the fair value of the property, nor for a longer term than seven years: Provided, any fire insurance company authorized to transact business in this State may, by appropriate riders or endorsements or otherwise, provide insurance indemnifying the insured for the difference between the actual value of the insured property at the time any loss or damage occurs, and the amount actually expended to repair, rebuild or replace on the premises described in the policy, or some other location within the State of North Carolina with new materials of like size, kind and quality, property that has been damaged or destroyed by fire or other perils insured against: Provided further, that the Commissioner may approve forms that permit functional replacement by the insurance company, at the insured's option. Functional replacement means to replace the property with property that performs the same function when replacement with materials of like size, kind, and quality is not possible, necessary, or less costly than obsolete, antique, or custom construction materials and methods. Forms and rating plans may also provide

for credits when functional replacement cost coverage is provided. Policies issued in violation of this section are binding upon the company issuing them, but the company is liable for the forfeitures by law prescribed for such violation."

SECTION 14.(iii) G.S. 58-43-30 reads as rewritten:

"§ 58-43-30. Agreements restricting agent's insurance producer's commission; penalty.

It is unlawful for any insurance company doing the business of insurance as defined in subdivisions (3) to (22), inclusive, of G.S. 58-7-15 and employing an agent insurance producer representing another such company, either directly or through any organization or association, to enter into, make or maintain any stipulation or agreement in anywise limiting the compensation such agent insurance producer may receive from any such other company or forbidding or prohibiting reinsurance of the risks of any such domestic company in whole or in part by any other company holding membership in or cooperating with such organization or association. The penalty for any violation of this section shall be a fine of not less than one thousand dollars (\$1,000) nor more than five thousand dollars (\$5,000), and the forfeiture of license to do business in this State for a period of 12 months following conviction."

SECTION 14.(jjj) G.S. 58-43-35 reads as rewritten:

"§ 58-43-35. Punishment for issuing fire policies contrary to law.

Any insurance company or agent insurance producer who makes, issues, or delivers a policy of fire insurance in willful violation of the provisions of Articles 1 through 64 of this Chapter that prohibit a domestic insurance company from issuing policies before obtaining a license from the Commissioner; or that prohibit the issuing of a fire insurance policy for more than the fair value of the property or for a longer term than seven years; or that prohibit stipulations in insurance contracts restricting the jurisdiction of courts, or limiting the time within which an action may be brought to less than one year after the cause of action accrues or to less than six months after a nonsuit by the plaintiff, shall be guilty of a Class 3 misdemeanor and shall, upon conviction, be punished only by a fine of not less than one thousand dollars (\$1,000) nor more than five thousand dollars (\$5,000); but the policy shall be binding upon the company issuing it."

SECTION 14.(kkk) G.S. 58-45-35 reads as rewritten:

"§ 58-45-35. Persons eligible to apply to Association for coverage; contents of application.

(a) Any person having an insurable interest in insurable property, may, on or after the effective date of the plan of operation, be entitled to apply to the Association for such coverage and for an inspection of the property. ~~A broker or agent~~ An insurance producer authorized by the applicant may apply on the applicant's behalf. Each application shall contain a statement as to whether or not there are any unpaid premiums due from the applicant for essential property insurance on the property.

The term "insurable interest" as used in this subsection shall include any lawful and substantial economic interest in the safety or preservation of property from loss, destruction or pecuniary damage.

...

(d) An agent insurance producer who is licensed under Article 33 of this Chapter and is appointed as an agent of a company which is a member of the Association established under this Article shall not be deemed an agent of the Association. The foregoing notwithstanding, an agent of a company which is a member of the Association shall have the authority, subject to the underwriting guidelines established by the Association, to temporarily bind coverage with the Association. The Association shall establish rules and procedures, including any limitations for binding authority, in the plan of operation.

Any unearned premium on the temporary binder shall be returned to the policyholder if the Association refuses to issue a policy. Nothing in this section shall prevent the Association from suspending binding authority in accordance with its plan of operation.

...."

SECTION 14.(lll) G.S. 58-45-36 reads as rewritten:

"§ 58-45-36. Temporary contracts of insurance.

Consistent with G.S. 58-45-35(d), the Association shall be temporarily bound by a written temporary binder of insurance issued by any duly licensed insurance ~~agent or broker~~ producer. Coverage shall be effective upon payment to the ~~agent or broker~~ insurance producer of the entire premium or part of the premium, as prescribed by the Association's plan of operation. Nothing in this section shall impair or restrict the rights of the Association under G.S. 58-45-35(b) to decline to issue a policy based upon a lack of insurability as determined by the Association or the existence of an unpaid premium due from the applicant."

SECTION 14.(mmm) G.S. 58-45-55 reads as rewritten:

"§ 58-45-55. Reports of inspection made available.

All reports of inspection performed by or on behalf of the Association shall be made available to the members of the Association, applicants, ~~agent or broker~~ insurance producers, and the Commissioner."

SECTION 14.(nnn) G.S. 58-46-10(b) reads as rewritten:

"(b) An ~~agent~~ insurance producer who is licensed under Article 33 of this Chapter and is appointed as an agent of a company which is a member of the Association established under this Article shall not be deemed an agent of the Association."

SECTION 14.(ooo) G.S. 58-46-20(c) reads as rewritten:

"(c) The Commissioner may designate the kinds of property insurance policies on principal residences to be offered by the association, including insurance policies under Article 36 of this Chapter, and the commission rates to be paid to ~~agents or brokers~~ insurance producers for these policies, if he finds, after a hearing held in accordance with G.S. 58-2-50, that the public interest requires the designation. The provisions of Chapter 150B do not apply to any procedure under this subsection, except that G.S. 150B-39 and G.S. 150B-41 shall apply to a hearing under this subsection. Within 30 days after the receipt of notification from the Commissioner of a change in designation pursuant to this subsection, the association shall submit a revised plan and articles of association for approval in accordance with subsection (b) of this section."

SECTION 14.(ppp) G.S. 58-47-60(14) reads as rewritten:

"(14) "Third-party administrator" or "TPA" means a person engaged by a board to execute the policies established by the board and to provide day-to-day management of the group. "Third-party administrator" or "TPA" does not mean:

- a. An employer acting on behalf of its employees or the employees of one or more of its affiliates.
- b. An insurer that is licensed under this Chapter or that is acting as an insurer with respect to a policy lawfully issued and delivered by it and under the laws of a state in which the insurer is licensed to write insurance.
- c. An ~~agent or broker~~ insurance producer who is licensed by the Commissioner under Article 33 of this Chapter whose activities are limited exclusively to the sale of insurance.
- d. An adjuster licensed by the Commissioner under Article 33 of this Chapter whose activities are limited to adjustment of claims.
- e. An individual who is an officer, a member, or an employee of a board."

SECTION 14.(qqq) G.S. 58-47-150(4) reads as rewritten:

"(4) "Third-party administrator" or "TPA" means a person engaged by a self-insurer to execute the policies established by the self-insurer and to provide day-to-day management of the self-insurer. "Third-Party Administrator" and "TPA" does not mean:

- a. A self-insurer acting on behalf of its employees or the employees of one or more of its affiliates.

- b. An insurer that is licensed under this Chapter or that is acting as an insurer with respect to a policy lawfully issued and delivered by it and under the laws of a state in which the insurer is licensed to write insurance.
- c. An ~~agent or broker~~ insurance producer who is licensed by the Commissioner under Article 33 of this Chapter whose activities are limited exclusively to the sale of insurance.
- d. An adjuster licensed by the Commissioner under Article 33 of this Chapter whose activities are limited to adjustment of claims.
- e. An individual who is an officer, a member, or an employee of a board."

SECTION 14.(rrr) G.S. 58-48-30(a) reads as rewritten:

"(a) The board of directors of the Association shall consist of not less than five nor more than nine persons serving terms as established in the plan of operation. One non-voting member of the board shall be a property and casualty insurance ~~agent-producer~~ authorized to write insurance for a member insurer, and appointed by the Commissioner; and the remaining members shall be selected by member insurers subject to the approval of the Commissioner. Vacancies of the board shall be filled for the remaining period of the term in the same manner as initial appointments. If no members are selected within 60 days after June 25, 1971, the Commissioner may appoint the initial members of the board of directors."

SECTION 14.(sss) G.S. 58-50-5(a), as amended by Section 6(a) of S.L. 2021-169, reads as rewritten:

"(a) On and after January 1, 1956, each individual or family accident, health, hospitalization policy, certificate or service plan of hospital service corporations shall be issued only on application in writing signed by the insured or the head of the household or guardian. Any application or enrollment form that is taken by a resident ~~agent~~ insurance producer shall also contain the certificate of the ~~agent~~ insurance producer that the ~~agent~~ insurance producer has truly and accurately recorded on the application or enrollment form the information supplied by the insured. Every policy subject to the provisions of this section shall contain the original or a reproduction of the application required by this section. This section shall not apply to travel or dread disease policies or to policies issued pursuant to a group insurance conversion privilege. If any policy to which this section applies delivered or issued for delivery to any person in this State shall be reinstated or renewed, and the insured or the beneficiary or assignee of the policy shall make written request to the insurer for a copy of the application for the reinstatement or renewal, then the insurer shall within 15 days after the receipt of that request at the insurer's home office or any branch office of the insurer, deliver or mail to the person making the request, a copy of the requested application. If the copy shall not be so delivered or mailed, the insurer shall be precluded from introducing the application as evidence in any action or proceeding based upon or involving the policy or its reinstatement or renewal."

SECTION 14.(ttt) G.S. 58-50A-40 reads as rewritten:

"§ 58-50A-40. Use of licensed ~~agents and brokers~~ insurance producers.

Nothing in this Article shall preclude a sponsoring association from engaging a ~~broker or agent~~ an insurance producer licensed to sell insurance in this State for the purposes of reviewing and considering any group health plan offered to a sponsoring association under this section."

SECTION 14.(uuu) G.S. 58-56-2(5), as amended by Section 3 of S.L. 2021-161, reads as rewritten:

- "(5) Third party administrator. A person who directly or indirectly solicits or effects coverage of, underwrites, collects charges or premiums from, or adjusts or settles claims on residents of this State, or residents of another state from offices in this State, in connection with life or health insurance or annuities, except any of the following:

- a. An employer on behalf of its employees or the employees of one or more of its affiliates.
- b. A union on behalf of its members.
- c. An insurer that is licensed under Articles 1 through 67 of this Chapter or that is acting as an insurer with respect to a policy lawfully issued and delivered by it and pursuant to the laws of a state in which the insurer is licensed to write insurance.
- d. An ~~agent or broker~~ insurance producer who is licensed by the Commissioner to sell life or ~~health~~ accident and health or sickness insurance and whose activities are limited exclusively to the sale of insurance.
- e. A creditor on behalf of its debtors with respect to insurance covering a debt between the creditor and its debtors.
- f. A trust and its trustees, agents, and employees acting pursuant to the trust established in conformity with 29 U.S.C. § 186.
- g. A trust exempt from taxation under section 501(a) of the Internal Revenue Code and its trustees and employees acting pursuant to the trust, or a custodian and the custodian's agents or employees acting pursuant to a custodian account that meets the requirements of section 401(f) of the Internal Revenue Code.
- h. A financial institution subject to supervision or examination by federal or state banking authorities, or a mortgage lender, to the extent the financial institution or mortgage lender collects and remits premiums to licensed insurance ~~agents~~ producers or authorized insurers in connection with loan payments.
- i. An attorney-at-law who adjusts or settles claims in the normal course of business as an attorney-at-law and who does not collect charges or premiums in connection with life or health insurance or annuities.
- j. An adjuster licensed by the Commissioner whose activities are limited to adjustment of claims.
- k. A person who acts solely as a TPA of one or more bona fide employee benefit plans established by an employer, an employee organization, or both, for which the insurance laws of this State are preempted pursuant to the Employee Income Security Act of 1974. The person shall comply with the requirements of G.S. 58-56-51(f).
- l. A managing general agent as defined in G.S. 58-34-2(a)(3), whose activities are limited exclusively to the scope of the activities set forth in the managing general agency contract filed by an insurer with the Commissioner in accordance with G.S. 58-34-2(i).
- m. A pharmacy benefits manager licensed under Article 56A of this Chapter."

SECTION 14.(vvv) G.S. 58-56-51(b)(6) reads as rewritten:

"(6) If the applicant will be managing the solicitation of new or renewal business, evidence that it employs or has contracted with an ~~agent~~ insurance producer licensed by this State for soliciting and taking applications. Any applicant that intends to directly solicit insurance contracts or to otherwise act as an insurance ~~agent~~ producer must provide proof of having a license as an insurance ~~agent~~ producer in this State."

SECTION 14.(www) G.S. 58-57-95 reads as rewritten:

"§ 58-57-95. Rebate of premiums on credit life and credit accident and health insurance; retention of funds by agent.

It shall be unlawful for any insurance carrier, or officer, agent or representative of an insurance company writing credit life and credit accident and health insurance, as defined in G.S. 58-58-10 and G.S. 58-51-100, or combination credit life, accident and health, hospitalization and disability insurance in connection with loans, to permit any agent or representative of such company to retain any portion of funds received for the payment of losses incurred, or to be incurred, under such policies of insurance issued by such company, or to pay, allow, permit, give or offer to pay, allow, permit or give, directly or indirectly, as an inducement to insurance, or after insurance has been effected, any rebate, discount, abatement, credit or reduction of the premium, to any loan agency, insurance agency or ~~broker~~, insurance producer, or to any creditor of the debtor on whose account the insurance was issued, or to any person, firm or corporation which received a commission or fee in connection with the issuance of such insurance: Provided, that this section shall not prohibit the payment of commissions to a licensed insurance ~~agent-producer~~ or agency or limited representative on the sale of a policy of credit life and credit accident and health insurance, or combination credit life, accident and health, hospitalization and disability insurance in connection with loans."

SECTION 14.(xxx) G.S. 58-60-10(7)b. reads as rewritten:

"b. The name and address of the insurance ~~agent~~, producer, or, if no ~~agent~~ insurance producer is involved, a statement of the procedure to be followed in order to receive responses to inquiries regarding the Policy Summary;"

SECTION 14.(yyy) G.S. 58-60-20 reads as rewritten:

"§ 58-60-20. General rules relating to solicitation.

...
(b) An ~~agent~~-insurance producer shall inform the prospective purchaser, prior to commencing a life insurance sales presentation, that he is acting as a life insurance agent and inform the prospective purchaser of the full name of the insurance company which he is representing to the buyer. In sales situations in which an ~~agent~~-insurance producer is not involved, the insurer shall identify its full name.

(c) Terms such as financial planner, investment advisor, financial consultant, or financial counseling shall not be used in such a way as to imply that the insurance ~~agent-producer~~ is generally engaged in an advisory business in which compensation is unrelated to sales unless such is actually the case.

...."

SECTION 14.(zzz) G.S. 58-60-35(b) reads as rewritten:

"(b) The following information shall be adequately disclosed by the insurance ~~agent~~ producer or limited representative at the time an application is made, prior to accepting the applicant's initial premium, for a prearrangement insurance policy:

- (1) The fact that a prearrangement insurance policy is involved or being used to fund a prearrangement;
- (2) The nature of the relationship among the insurance ~~agent~~-producer or limited representative, the provider of the funeral or cemetery merchandise or services, the administrator, and any other person;

...."

SECTION 14.(aaaa) G.S. 58-63-5 reads as rewritten:

"§ 58-63-5. Definitions.

When used in this Article:

- (1) Repealed by Session Laws 1991, c. 720, s. 6.
- (2) "Person" means any individual, corporation, association, partnership, reciprocal exchange, interinsurer, Lloyds insurer, fraternal benefit society, and any other legal entity engaged in the business of insurance under this Chapter;

and includes insurance producers, agents, brokers, limited representatives, and adjusters."

SECTION 14.(bbbb) G.S. 58-63-15(8)c. reads as rewritten:

"c. No insurer or employee thereof, and no ~~broker or agent~~ insurance producer shall pay, allow, or give, or offer to pay, allow, or give, directly or indirectly, as an inducement to insurance, or after insurance has been effected, any rebate, discount, abatement, credit or reduction of the premium named in a policy of insurance, or any special favor or advantage in the dividends or other benefits to accrue thereon, or any valuable consideration or inducement whatever, not specified in the policy of insurance. Nothing herein contained shall be construed as prohibiting the payment of commissions or other compensation to regularly appointed and licensed ~~agents and to brokers~~ insurance producers duly licensed by this State; nor as prohibiting any participating insurer from distributing to its policyholders dividends, savings or the unused or unabsorbed portion of premiums and premium deposits."

SECTION 14.(cccc) G.S. 58-65-2, as amended by Section 1 of S.L. 2021-169, reads as rewritten:

"§ 58-65-2. Other laws applicable to all service corporations.

The following provisions of this Chapter are applicable to hospital service corporations that are subject to this Article:

- G.S. 58-2-125..... Authority over all insurance companies; no exemptions from license.
- G.S. 58-2-150..... Oath required for compliance with law.
- G.S. 58-2-155..... Investigation of charges.
- G.S. 58-2-160..... Reporting and investigation of insurance and reinsurance fraud and the financial condition of licensees; immunity from liability.
- G.S. 58-2-162..... Embezzlement by insurance ~~agents, brokers,~~ producers or administrators.
- G.S. 58-2-185..... Record of business kept by companies and ~~agents;~~ insurance producers; Commissioner may inspect.
- G.S. 58-2-190..... Commissioner may require special reports.
- G.S. 58-2-195..... Commissioner may require records, reports, etc., for agencies, ~~agents,~~ insurance producers and others.
- G.S. 58-2-200..... Books and papers required to be exhibited.
- G.S. 58-3-50..... Companies must do business in own name; emblems, insignias, etc.
- G.S. 58-3-100(c),(e)..... Insurance company licensing provisions.
- G.S. 58-3-115..... Twisting with respect to insurance policies; penalties.
- G.S. 58-7-46..... Notification to Commissioner for president or chief executive officer changes.
- Part 7 of Article 10..... Annual Financial Reporting.
- G.S. 58-50-35..... Notice of nonpayment of premium required before forfeiture.
- G.S. 58-50-290..... Health benefit plans or insurers contracting for the provision of dental services; no limitation on fees for noncovered services.
- G.S. 58-50-300..... Health benefit plans or insurers contracting for the provision of vision services or materials; no limitation on fees for noncovered services or materials.
- G.S. 58-51-15(a)(2)b..... Accident and health policy provisions.
- G.S. 58-51-17..... Portability for accident and health insurance.

G.S. 58-51-25. Policy coverage to continue as to children with an intellectual or physical disability or dependent students on medically necessary leave of absence.

G.S. 58-51-95(h),(i),(j).... Approval by Commissioner of forms, classification and rates; hearings; exceptions."

SECTION 14.(dddd) G.S. 58-65-115 reads as rewritten:

"§ 58-65-115. Licensing and regulation of agents.

Every agent of any service corporation authorized to do business in this State under this Article is subject to the licensing provisions of Article 33 of this Chapter and all other provisions in this Chapter applicable to life and accident and health or sickness insurance agents-producers."

SECTION 14.(eeee) G.S. 58-65-120, as amended by Section 1 of S.L. 2021-169, reads as rewritten:

"§ 58-65-120. Dental, health care, medical, and vision service associations and agent to transact business through licensed agents-producers only.

No dental, health care, medical, or vision service association, nor any agent of the association, shall on behalf of the association or agent knowingly permit any person not licensed as an agent insurance producer as required by law, to solicit, negotiate for, collect or transmit a premium for a new contract of dental, health care, medical, or vision service certificate or to act in any way in the negotiation for any contract or policy. No license shall be required of any of the following:

- (1) Persons designated by the association or subscriber to collect or deduct or transmit premiums or other charges for dental, health care, medical, or vision contracts, or to perform any acts as may be required for providing coverage for additional persons who are eligible under a master contract.
- (2) An agency office employee acting in the confines of the agent's insurance producer's office, under the direction and supervision of the duly licensed agent insurance producer and within the scope of that agent's insurance producer's license, in the acceptance of request for insurance and payment of premiums, and the performance of clerical, stenographic, and similar office duties."

SECTION 14.(ffff) G.S. 58-67-90 reads as rewritten:

"§ 58-67-90. Licensing and regulation of agents.

Every agent of any HMO authorized to do business in this State under this Article is subject to the licensing provisions of Article 33 of this Chapter and all other provisions in this Chapter applicable to life and accident and health or sickness insurance agents-producers."

SECTION 14.(gggg) G.S. 58-67-171 reads as rewritten:

"§ 58-67-171. Other laws applicable to HMOs.

The following provisions of this Chapter are applicable to HMOs that are subject to this Article are as follows:

- G.S. 58-2-125. Authority over all insurance companies; no exemptions from license.
- G.S. 58-2-150. Oath required for compliance with law.
- G.S. 58-2-155. Investigation of charges.
- G.S. 58-2-160. Reporting and investigation of insurance and reinsurance fraud and the financial condition of licensees; immunity from liability.
- G.S. 58-2-162. Embezzlement by insurance ~~agents, brokers, producers~~ or administrators.
- G.S. 58-2-185. Record of business kept by companies and ~~agents; insurance producers;~~ Commissioner may inspect.
- G.S. 58-2-190. Commissioner may require special reports.
- G.S. 58-2-195. Commissioner may require records, reports, etc., for agencies, ~~agents, insurance producers,~~ and others.

- G.S. 58-2-200. Books and papers required to be exhibited.
- G.S. 58-3-50. Companies must do business in own name; emblems, insignias, etc.
- G.S. 58-3-100(c),(e). Insurance company licensing provisions.
- G.S. 58-3-115. Twisting with respect to insurance policies; penalties.
- G.S. 58-7-46. Notification to Commissioner for president or chief executive officer changes.
- G.S. 58-7-73. Dissolution of insurers.
- Part 7 of Article 10. Annual Financial Reporting.
- G.S. 58-50-35. Notice of nonpayment of premium required before forfeiture.
- G.S. 58-51-15(a)(2)b. Accident and health policy provisions.
- G.S. 58-51-17. Portability for accident and health insurance.
- G.S. 58-51-25. Policy coverage to continue as to children with an intellectual or physical disability or dependent students on medically necessary leave of absence.
- G.S. 58-51-35. Insurers and others to afford coverage to children with an intellectual or physical disability.
- G.S. 58-51-45. Policies to be issued to any person possessing the sickle-cell trait or hemoglobin C trait.
- G.S. 58-62. Life and Health Insurance Guaranty Association."

SECTION 14.(hhh) G.S. 58-69-45 reads as rewritten:

"§ 58-69-45. Insurance licensing provisions not affected.

Nothing in this Article shall be construed as amending, repealing, or in any way affecting any laws now in force relating to the licensing of Motor Club Membership Sales Agents or to the licensing or regulation of insurance ~~agents-producers~~ and insurance companies, as provided in Articles 1 through 64 of this Chapter."

SECTION 14.(iii) G.S. 58-89A-110(c) reads as rewritten:

"(c) If the licensee provides workers' compensation coverage pursuant to the single policy method, the insurer shall issue to the licensee a single policy covering all assigned employees in this State in accordance with Chapter 97 of the General Statutes, the Workers' Compensation Act, and any other applicable laws or rating plans of this State.

As a condition of issuing a single policy, the licensee shall provide to the insurer of the policy all of the following information regarding each client company of the licensee with assigned employees in this State:

- (1) The correct legal name, any fictitious names, and the federal identification number.
- (2) The name and address of the president and chief executive officer.
- (3) The business mailing address.
- (4) The business telephone number and facsimile number.

The licensee shall also provide to the insurer the name and address of the insurance ~~agent or broker-producer~~ responsible for securing the policy of insurance on behalf of the licensee.

The insurer shall issue to each client company of the licensee a certificate of insurance on the single policy. The certificate of insurance shall require that the insurer provide notice of cancellation to the licensee and the client company of the licensee.

Whenever a policy written in accordance with this subsection is cancelled, the insurance company writing the policy shall provide individual notices of cancellation as required by this Chapter to the licensee and the client company of the licensee.

If the insurer fails to provide individual notices of cancellation to the licensee and the client company, the insurer shall remain liable on the risk for losses incurred by the client company that would have been covered by the workers' compensation policy prior to the attempted cancellation."

SECTION 14.(jjj) G.S. 58-89A-115(b) reads as rewritten:

"(b) With respect to any insurance or benefit plan provided by a licensee for the benefit of its assigned employees, a licensee shall provide to the insurer the name and address of the insurance ~~agent or broker~~ producer responsible for securing the policy of insurance on behalf of the licensee."

SECTION 14.(kkk) G.S. 58-93-120 reads as rewritten:

"§ 58-93-120. Other laws applicable to PHPs.

The following provisions of this Chapter are applicable to PHPs in the manner in which they are applicable to insurers:

...

(8) G.S. 58-2-162, Embezzlement by insurance ~~agents, brokers,~~ producers or administrators.

...

(10) G.S. 58-2-185, Record of business kept by companies and ~~agents;~~ insurance producers; Commissioner may inspect.

...

(12) G.S. 58-2-195, Commissioner may require records, reports, etc., for agencies, ~~agents,~~ insurance producers, and others.

...."

PART XV. ALLOW SELF-INSURANCE TO SERVE AS PROOF OF FINANCIAL RESPONSIBILITY

SECTION 15.(a) G.S. 20-7 reads as rewritten:

"§ 20-7. Issuance and renewal of drivers licenses.

...

(c1) Insurance. – The Division may not issue a drivers license to a person until the person has furnished proof of financial responsibility. Proof of financial responsibility shall be in one of the following forms:

...

Nothing in this subsection precludes any person from showing proof of financial responsibility in any other manner authorized by Articles 9A and 13 of this Chapter. The Division shall not impose a restriction prohibiting a person from operating a nonfleet motor vehicle, as that term is defined in G.S. 58-40-10, solely because the person furnished proof of liability under G.S. 20-279.33 or G.S. 20-279.33A.

...."

SECTION 15.(b) G.S. 20-279.33 reads as rewritten:

"§ 20-279.33. Self-insurers.

...

(b) The Commissioner may, in his discretion, upon the application of such a person, issue a certificate of self-insurance when he is satisfied that such person is possessed and will continue to be possessed of ability to pay judgments obtained against such person. The certificate shall serve as evidence of insurance for the purposes of G.S. 20-7(c1), 20-13.2(e), 20-16.1, 20-19(k), and 20-179.3(l).

...."

SECTION 15.(c) G.S. 20-279.33A reads as rewritten:

"§ 20-279.33A. Religious organizations; self-insurance.

(a) Notwithstanding any other provision of this Article or Article 13 of this Chapter, any recognized religious organization having established tenets or teachings and that has been in existence at all times since December 31, 1950, may qualify as a self-insurer by obtaining a certificate of self-insurance from the Commissioner as provided in subsection (c) of this section if the Commissioner determines that all of the following conditions are met:

- (1) Members of the religious organization operate ~~five or more~~ vehicles that are registered in this State and are either owned or leased by them.

...."

SECTION 15.(d) This section is effective when it becomes law and applies to all drivers license applications submitted on or after that date.

PART XVI. PROHIBIT THE DISCLOSURE OF REPLACEMENT COST ESTIMATORS

SECTION 16.(a) Article 3 of Chapter 58 of the General Statutes is amended by adding a new section to read:

"§ 58-3-137. Prohibition on provisions relating to replacement cost estimators.

(a) No person may require an insurance company or their designated agent to provide the replacement cost estimator or other underwriting or related proprietary business information of an insurer underwriting an insurance policy covering real property, as a condition precedent or condition subsequent to the lending of money or extension of credit to be secured by real property. For purposes of this section, "proprietary business information of an insurer" means information, regardless of form or characteristics, which is owned or controlled by an insurer, or a person or an affiliated person who seeks acquisition of controlling stock in a domestic stock insurer or controlling company, and which (i) is intended to be and is treated by the insurer or the person as private in that the disclosure of the information would cause harm to the insurer, the person, or the company's business operations and that the information has not been disclosed unless disclosed pursuant to a statutory requirement, an order of a court or administrative body, or a private agreement that provides that the information will not be released to the public and (ii) is not otherwise readily ascertainable or publicly available by proper means by other persons from another source in the same configuration as requested by the office. This subsection does not apply to sales of insurance regulated under Articles 35, 57, and 58 of this Chapter or under 12 U.S.C. §§ 4901-4910.

(b) The Department of Insurance may investigate the affairs of any person to whom this section applies to determine whether such person has violated this section. If a violation of this section is found to have been committed knowingly, the person in violation shall be subject to the same procedures and penalties as provided in Articles 3 and 63 of this Chapter."

SECTION 16.(b) This section becomes effective August 1, 2022.

PART XVII. REQUIRE CERTAIN APPOINTMENTS TO THE REINSURANCE FACILITY'S BOARD OF GOVERNORS

SECTION 17.(a) G.S. 58-37-35 reads as rewritten:

"§ 58-37-35. The Facility; functions; administration.

...

(d) The Facility shall be administered by a Board of Governors. The Board of Governors shall consist of 12 members having one vote each from the classifications specified in this subsection and the Commissioner, who shall serve ex officio without vote. Each Facility insurance company member serving on the Board shall be represented by a senior officer of the company. Not more than one company in a group under the same ownership or management shall be represented on the Board at the same time. Five members of the Board shall be selected by the member insurers, which members shall be fairly representative of the industry. To insure representative member insurers, one each shall be selected from the following: the American Insurance Association (or its successors), the Property Casualty Insurers Association of America (or its successors), stock insurers not affiliated with those trade associations, nonstock insurers not affiliated with those trade associations, and the industry at large regardless of trade affiliation. The at-large insurer shall be selected by the insurer company members of the Board. The Commissioner shall appoint two members of the Board who are Facility insurance company

members domiciled in this State. The Commissioner shall appoint one member of the Board who shall be selected from two nominees submitted by the Alliance of Insurance Agents of North Carolina. The Commissioner shall appoint ~~five~~four members of the Board who shall be fire and casualty insurance agents licensed in this State and actively engaged in writing motor vehicle insurance in this State. The term of office of the Board members shall be three years. All members of the Board of Governors shall serve until their successors are selected and qualified and the Commissioner may fill any vacancy on the Board from any of the classifications specified in this subsection until the vacancies are filled in accordance with this Article. The Board of Governors of the Facility shall also have as nonvoting members two persons who are not employed by or affiliated with any insurance company or the Department and who are appointed by the Governor to serve at the Governor's pleasure.

...."

SECTION 17.(b) This section is effective when it becomes law and applies to all appointments made on or after that date.

PART XVIII. AMEND REPORTING DATE FOR MEMBERS OF THE NORTH CAROLINA INSURANCE UNDERWRITING ASSOCIATION

SECTION 18. G.S. 58-45-71 reads as rewritten:

"§ 58-45-71. Report of member companies to Commissioner.

Each member company of the Association shall report by ~~February 1~~April 1 of each year to the Commissioner the amount of homeowners' coverage, including separate coverage for homeowners' wind and hail, written in the preceding calendar year by that member company in the beach area and the coastal area. The report shall include the number and type of homeowners' policies written by the member company in each area, the total amount of homeowners' coverage for each area, any increases and decreases in homeowners' coverage written in each area from the prior year, and other information as prescribed by the Commissioner and in such form as approved by him."

PART XIX. EXEMPT CERTAIN DOI EMPLOYMENT CONTRACTS

SECTION 19. G.S. 58-2-25 reads as rewritten:

"§ 58-2-25. Other deputies, actuaries, examiners and employees.

(a) The Commissioner shall appoint or employ such other deputies, actuaries, economists, financial analysts, financial examiners, licensed attorneys, rate and policy analysts, accountants, fire and rescue training instructors, market conduct analysts, insurance complaint analysts, investigators, engineers, building inspectors, risk managers, clerks and other employees that the Commissioner considers to be necessary for the proper execution of the work of the Department, at the compensation that is fixed and provided by the Department of Administration.

(a1) If the Commissioner considers it to be necessary for the proper execution of the work of the Department to contract with persons, except to fill authorized employee positions, all of those contracts, except those provided for in Articles 36 and 37 and Part 2 of Article 44 of this Chapter, shall be made pursuant to the provisions of Article 3C of Chapter 143 of the General Statutes. persons for financial, legal, examination, and other services, such contracts shall not be subject to any of the following:

(1) G.S. 114-2.3.

(2) G.S. 147-17.

(3) Articles 3, 3C, and 8 of Chapter 143 of the General Statutes and any rules and procedures adopted under those Articles concerning procurement, contracting, and contract review.

(a2) Whenever the Commissioner or any deputy or employee of the Department is requested or subpoenaed to testify as an expert witness in any civil or administrative action, the party making the request or filing the subpoena and on whose behalf the testimony is given shall,

upon receiving a statement of the cost from the Commissioner, reimburse the Department for the actual time and expenses incurred by the Department in connection with the testimony.

(b) The minimum education requirements for financial analysts and examiners referred to in subsection (a) of this section are a bachelors degree, with the appropriate courses in accounting as defined in 21 NCAC 8A.0309, and other courses that are required to qualify the applicant as a candidate for the uniform certified public accountant examination, based on the examination requirements in effect at the time of graduation by the analyst or examiner from an accredited college or university."

PART XX. CLARIFY DEFINITION UNDER THE NORTH CAROLINA LIFE AND HEALTH INSURANCE GUARANTY ASSOCIATION ACT

SECTION 20. G.S. 58-62-16(11) reads as rewritten:

"(11) "Member insurer" means any insurer, health maintenance organization that is governed by Article 67 of this Chapter, and any ~~hospital or medical service~~ full-service corporation that is governed by Article 65 of this Chapter and that is licensed or that holds a license to transact in this State any kind of insurance or health maintenance organization business for which coverage is provided under G.S. 58-62-21; and includes any insurer or health maintenance organization whose license in this State may have been suspended, revoked, not renewed or voluntarily withdrawn, but does not include a fraternal order or fraternal benefit society; mandatory State pooling plan; mutual assessment company or any entity that operates on an assessment basis; insurance exchange; or any entity similar to any of the foregoing."

PART XXI. AMEND INNOVATION WAIVER EXEMPTIONS

SECTION 21. G.S. 169-8, as enacted by Section 1 of S.L. 2021-166, reads as rewritten:

"§ 169-8. Consumer protections.

(a) Nothing in this Chapter shall be construed as allowing the Council or an applicable State agency to grant an innovation waiver that alters or amends any of the following:

- (1) Article 12 of Chapter 20 of the General Statutes, Motor Vehicle Dealers and Manufacturers Licensing Law.
- (2) Chapter 24 of the General Statutes, Interest.
- (3) Chapter 25A of the General Statutes, Retail Installment Sales Act.
- (4) Chapter 25B of the General Statutes, Credit.
- (5) Article 15 of Chapter 53 of the General Statutes, Consumer Finance Act.
- (5a) Article 36 of Chapter 58 of the General Statutes, North Carolina Rate Bureau.
- (5b) Article 37 of Chapter 58 of the General Statutes, North Carolina Motor Vehicle Reinsurance Facility.
- (5c) All financial and solvency requirements that apply to nonadmitted domestic surplus lines insurers pursuant to G.S. 58-21-21(g).
- (6) Article 70 of Chapter 58 of the General Statutes, Collection Agencies.
- (7) Article 20 of Chapter 66 of the General Statutes, Loan Brokers.
- (8) Chapter 75 of the General Statutes, Monopolies, Trusts, and Consumer Protection.
- (9) Any other criminal or consumer protection laws.

...."

PART XXII. REVISE INSURANCE REQUIREMENTS FOR TRANSPORTATION NETWORK COMPANIES

SECTION 22.(a) G.S. 20-280.4 reads as rewritten:

"§ 20-280.4. Financial responsibility.

(a) Except as provided in subsection (n) of this section, TNC drivers or transportation network companies must maintain primary automobile insurance that meets all of the following requirements:

- ...
- (2) The following automobile insurance requirements apply while a TNC driver is logged on to the transportation network company's online enabled application or platform but is not providing TNC service:
- ...
- b. ~~Combined uninsured and underinsured motorist coverage, with limits for combined uninsured and underinsured motorist bodily injury coverage which at least equals the bodily injury liability limits of the policy, and which otherwise coverage that~~ complies with the requirements of G.S. 20-279.21(b)(3) and (b)(4).
- (3) The following automobile insurance requirements apply while a TNC driver is engaged in TNC service:
- a. Primary automobile liability insurance in the amount of at least ~~one million five hundred thousand dollars (\$1,500,000)~~ one million dollars (\$1,000,000) because of death of one or more persons, bodily injury to one or more persons, injury to or destruction of property of others, or any combination thereof, in any one accident.
- b. ~~Combined uninsured and underinsured motorist coverage, with limits for combined uninsured and underinsured motorist bodily injury coverage of at least one million dollars (\$1,000,000), and which otherwise coverage that~~ complies with the requirements of G.S. 20-279.21(b)(3) and (b)(4).

...."

SECTION 22.(b) This section becomes effective October 1, 2022.

PART XXIII. GLOBAL TRANSPARK BROADBAND GRANT

SECTION 23.(a) Notwithstanding any provision of law to the contrary, the North Carolina Global TransPark Authority (Authority) is authorized to receive and administer grant funding from the National Telecommunications and Information Administration for the expansion of broadband infrastructure and access in Lenoir County. The Department of Information Technology may provide assistance in administering the grant funds described in this section at the request of the Authority.

SECTION 23.(b) This section expires June 30, 2027.

PART XXIV. AMEND HOME INSPECTION REPORT DEADLINE

SECTION 24.(a) If Senate Bill 372, 2021 Regular Session, becomes law, then G.S. 143-151.58(a), as amended by Section 11(b) of that act, reads as rewritten:

"(a) Home Inspection Report. – A licensed home inspector must give to each person for whom the inspector performs a home inspection for compensation a written report of the home inspection. The inspector must give the person the report by the date set in a written agreement by the parties to the home inspection. If the parties to the home inspection did not agree on a date in a written agreement, the inspector must give the person the report ~~within~~ within

- (1) ~~Three~~ three business days after the inspection was performed.
- (2) ~~Ten business days after the inspection was performed, if the report describes a deficiency as a violation of the State Residential Building Code in accordance with subsection (a2) of this section.~~"

SECTION 24.(b) This section becomes effective October 1, 2022.

PART XXV. AMEND HOME INSPECTOR LICENSE RETEST PERIOD

SECTION 25. G.S. 143-151.57(b) reads as rewritten:

"(b) Subsequent Application. – An individual who applied for a license as a home inspector and who failed the home inspector examination is not required to pay an additional application fee if the individual submits another application for a license as a home inspector. The individual must pay the examination fee, however, to be eligible to take the examination again. An individual may take the examination only once every ~~180~~90 days."

PART XXVI. AMEND MINIMUM INSULATION REQUIREMENTS

SECTION 26.(a) Section 20.10(b) of S.L. 2022-6 reads as rewritten:

"**SECTION 20.10.(b)** Code Amendment. – Until the effective date of the temporary rule that the Council is required to adopt pursuant to this section, the Council, Code enforcement official, or fire code official enforcing the Code shall follow the provisions of this subsection instead of the Residential Spaces Insulation Rule with respect to minimal insulation requirements for supply and return air ducts located in ventilated or non-ventilated unconditioned spaces. Supply and return air ducts located in ventilated or non-ventilated unconditioned ~~spaces~~spaces, other than attics, shall be insulated to a minimum R-4.2. Supply and return air ducts located in ventilated or non-ventilated unconditioned attic spaces shall be insulated to a minimum R-6.0."

SECTION 26.(b) Section 20.10A(b) of S.L. 2022-6 reads as rewritten:

"**SECTION 20.10A.(b)** Code Amendment. – Until the effective date of the temporary rule that the Council is required to adopt pursuant to this section, the Council, Code enforcement official, or fire code official enforcing the Code shall follow the provisions of this subsection as it relates to the Commercial Spaces Insulation Rule with respect to the minimal insulation requirements for supply and return air ducts located in ventilated or non-ventilated unconditioned spaces in Climate Zones 3 through 5. Supply and return air ducts located in ventilated or non-ventilated unconditioned ~~spaces~~spaces, other than attic spaces, shall be insulated with a minimum of ~~R-4~~R-4.0 insulation in Climate Zones 3 and 4 and a minimum of ~~R-6~~R-6.0 insulation in Climate Zone 5. Supply and return air ducts located in ventilated or non-ventilated unconditioned attic spaces shall be insulated to a minimum R-6.0."

SECTION 26.(c) This section is effective when it becomes law and applies retroactively to March 17, 2022.

PART XXVII. MAKE TECHNICAL STATUTORY CORRECTION

SECTION 27. If Senate Bill 372, 2021 Regular Session, becomes law, then G.S. 160D-706(a), as amended by Section 17(a) of that act, reads as rewritten:

"(a) Unless otherwise prohibited by ~~G.S. 160A-704(b)~~, G.S. 160A-174(b), when regulations made under authority of this Article require a greater width or size of yards or courts, or require a lower height of a building or fewer number of stories, or require a greater percentage of a lot to be left unoccupied, or impose other higher standards than are required in any other statute or local ordinance or regulation, the regulations made under authority of this Article govern. Unless otherwise prohibited by ~~G.S. 160A-704(b)~~, G.S. 160A-174(b), when the provisions of any other statute or local ordinance or regulation require a greater width or size of yards or courts, or require a lower height of a building or a fewer number of stories, or require a greater percentage of a lot to be left unoccupied, or impose other higher standards than are required by the regulations made under authority of this Article, the provisions of that statute or local ordinance or regulation govern."

PART XXVIII. EFFECTIVE DATE

SECTION 28. Except as otherwise provided, this act is effective when it becomes law.
In the General Assembly read three times and ratified this the 30th day of June, 2022.

s/ Phil Berger
President Pro Tempore of the Senate

s/ Tim Moore
Speaker of the House of Representatives

s/ Roy Cooper
Governor

Approved 3:58 p.m. this 7th day of July, 2022