

11 NCAC 06A .0402 is amended as published in the NCR 35:18 2040 as ~~follows:~~ follows with changes:

11 NCAC 06A .0402 LICENSING OF RESIDENT AGENT, LTD REPRESENTATIVE AND ADJUSTER

(a) An applicant for a resident variable life and variable annuity product shall hold a resident life license before making application for a resident variable life and variable annuity product license. An agent licensed to sell variable life and variable annuity products shall be appointed by a company authorized to sell variable annuities and variable life insurance products in North Carolina. The company shall verify that the agent has met the requirements of the ~~NASD~~ Financial Industry Regulatory Authority (FINRA) or its successor organization.

(b) A limited representative shall be appointed with each company for which he ~~or she~~ will solicit business for the following kinds of insurance:

(1) Dental services;

(2) Limited line credit insurance;

~~(3) Motor club;~~

~~(4)~~(3) Prearrangement insurance, as defined in G.S. 58-60-35(a)(2), when offered or sold by a preneed sales licensee licensed under Article 13D of Chapter 90 of the General Statutes; or

~~(5)~~(4) Travel, ~~accident~~ accident, and baggage.

(c) Responsibility of insurance companies for forms:

(1) Companies shall have on file with the Division the address and email address of one central licensing office and the individual within ~~such~~ that office to ~~which~~ whom all correspondence, licenses, and invoices will be forwarded.

(2) Companies shall have on file with the Division the name of the individual responsible for all agent appointments and termination of agent appointments submitted by the company to the Division.

(3) A company shall verify the licensure of an agent before the company appoints the agent.

(4) Companies shall notify the Division within 10 days after any change of address or email address of the central licensing office and of any change of the individual within ~~such~~ that office to ~~which~~ whom all correspondence, licenses, and invoices will be forwarded.

(d) Responsibility of the agent, limited ~~representative~~ representative, and adjuster:

(1) A person, after surrender or termination of a license for such period of time that he ~~or she~~ is no longer eligible for waiver of the examination, shall meet all legal requirements for previously unlicensed persons.

(2) Every licensee shall, upon demand from the Division, furnish in writing any information relating to the licensee's insurance business within 10 business days after the ~~demand~~ demand in accordance with G.S. 58-2-195(a).

(e) An applicant for a resident license shall, if an electronic record is not available, obtain an original letter of clearance from his ~~or her~~ former state of residency certifying the kinds of insurance for which the applicant was licensed, that all licenses held in that state have been ~~canceled~~ canceled and that the applicant was in good standing in that state at the time of the cancellation of licenses. A letter of clearance is valid for 90 days from date of issuance.

(f) Only individuals may apply for limited representative and adjuster licenses.

1
2 *History Note: Authority G.S. 58-2-40; 58-2-195(a); 58-33-26; 58-33-30; 58-33-66;*
3 *Eff. February 1, 1976;*
4 *Readopted Eff. June 12, 1978;*
5 *Amended Eff. October 1, 2010; February 1, 2008; April 1, 2003; February 1, 1996; October 1, 1990;*
6 *February 1, 1989;*
7 *Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. ~~June 25, 2016.~~*
8 *June 25, 2016;*
9 *Amended Eff. August 1, 2021.*
10

1 11 NCAC 06A .0501 is amended as published in the NCR 35:18 2040-2041 as follows: ~~with changes:~~

2
3 **11 NCAC 06A .0501 RENEWAL OF AGENT APPTS: LICENSES/LIMITED REPS**

4 (a) Annually the Division shall notify each insurance company ~~and motor club company~~ of dates and ~~procedures~~
5 ~~methods~~ for renewing agent ~~appointments~~ and limited representative ~~appointments, licenses~~. Companies shall be given
6 at least 30 days' advance notice of the last date the Division shall process terminations.

7 (b) On the last date to submit terminations, the Division shall cease processing all terminations and bill companies for
8 renewals. All appointments and licenses shall automatically be billed for the appointment renewal unless the Division
9 has received a termination request from the company within the specified time.

10 (c) The Division shall send each company an invoice stating the total amount of money due and a list of all appointees
11 or licensees associated with the total due. The Division shall make this invoice and a list of all appointees or licensees
12 associated with the total due available electronically to each company. Companies shall remit the amount stated in the
13 invoice by electronic payment to the Commissioner or the Commissioner's designee and shall pay all associated fees for
14 electronic processing. Any discrepancies claimed by companies shall be investigated only after full payment is received.

15 (d) Upon receipt of the company payment, the Division shall provide to the company an electronic list of all
16 appointments and licenses renewed.

17 (e) Appointments recorded and licenses issued prior to the renewal date, but after the date specified by the Division as
18 the last date to process ~~termination~~ ~~termination~~, ~~are~~ ~~shall be~~ valid until the following year.

19 (f) Failure of a company to pay any invoice by the due date shall automatically result in the termination of all appointees
20 or licensees of that company. The Commissioner shall not issue any new appointments until all outstanding invoices
21 have been paid. Any company that has had appointments or licensees cancelled by the Commissioner pursuant to this
22 Rule shall not process any new electronic appointments until all outstanding invoices have been paid. When the
23 outstanding invoices are paid, the company may re-appoint agents or limited representatives and shall pay the
24 appointment fees.

25
26 *History Note: Authority G.S. 58-2-40; 58-2-250; 58-33-40(f); 58-33-56; 58-33-125(a); 58-33-125(h);*

27 *Eff. February 1, 1976;*

28 *Readopted Eff. June 12, 1978;*

29 *Amended Eff. October 1, 2010; February 1, 1996; October 1, 1990; February 1, 1989; July 1, 1986;*

30 *Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. ~~June 25, 2016.~~*

31 *June 25, 2016;*

32 *Amended Eff. August 1, 2021.*

1 11 NCAC 13 .0410 is amended as published in the NCR 35:18 2041 as follows: follows with changes:

2
3 **11 NCAC 13 .0410 SALESMEN TO BE LICENSED INSURANCE AGENTS**

4 Any person acting in the capacity of employee, agent agent, or salesman who solicits or sells a motor club membership shall
5 be a licensed insurance agent if the membership contract includes a contract of insurance to the member. Such The
6 employee, agent, or salesman shall be licensed with the same insurance company that issues such the contract of insurance.
7 ~~As an alternative, a person who solicits or sells motor club memberships that include a contract of insurance may hold a~~
8 ~~limited license in accordance with G.S. 58-33-25(e)(6), and the motor club for which the person sells memberships shall~~
9 ~~make the application for the limited license of that person.~~

10
11 *History Note: Authority G.S. 58-2-40; 58-69-20(5);*

12 *Eff. February 1, 1976;*

13 *Readopted Eff. January 1, 1978;*

14 *Amended Eff. April 8, 2002; July 1, 1986;*

15 *Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. June 25, 2016- June*
16 *25, 2016;*

17 *Amended Eff. August 1, 2021.*
18