

CHAPTER 06 - AGENT SERVICES DIVISION

SUBCHAPTER 06A - AGENT SERVICES DIVISION

SECTION .0100 - GENERAL PROVISIONS

11 NCAC 06A .0101 DEFINITIONS

(a) In this Chapter, unless the context otherwise requires:

- (1) "Adjusting company" means any insurance company, independent adjusting company, or public adjusting company adjusting claims in this State.
- (2) "Agent Services Division" or "Division" means the Agent Services Division of the North Carolina Department of Insurance, the Division responsible for the licensing, education and regulation of agents and other licensees.
- (3) "Professional Testing Service" or "Service" means the organization specializing in the development and administration of licensing examinations on a contract basis.
- (4) "State Licensing Examination" or "Examination" means a collection of items designed to test the applicant's knowledge of the basic concepts, principles and laws relevant to the insurance profession to determine the competence to be licensed in North Carolina.

(b) The definitions contained in G.S. 58-33-10 are incorporated in this Chapter by reference.

History Note: Authority G.S. 58-2-40; 58-33-30(e)(h);
Eff. February 1, 1976;
Readopted Eff. June 12, 1978;
Amended Eff. February 1, 2008; October 1, 1990; February 1, 1989; July 1, 1986;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. June 25, 2016.

11 NCAC 06A .0102 PURPOSE OF DIVISION

11 NCAC 06A .0103 DEPUTY COMMISSIONER

11 NCAC 06A .0104 DIVISION PERSONNEL

History Note: Authority G.S. 57-12; 57A-16; 58-7.3; 58-9; 58-9.2; 58-40; 58-40.1;
Eff. February 1, 1976;
Readopted Eff. June 12, 1978;
Repealed Eff. July 1, 1988.

SECTION .0200 - DESCRIPTION OF FORMS

11 NCAC 06A .0201 GENERAL INFORMATION

(a) All forms pertaining to licensure including applications, bonds, appointments, termination of appointments and other forms required by Chapter 58 shall be supplied by the Division. The Division shall make these forms available in an electronic format and require the licensee or company to file documents electronically with the Commissioner or the Commissioner's designee. The actual cost of the electronic filing is the administrative fee charged by the Commissioner's designee which may include a transaction fee, a credit card processing fee, or other bank processing fee. The administrative fee shall be paid at the time of the electronic filing transaction by the electronic payment options made available by the Commissioner's designee through electronic check, credit card, automated clearing house (ACH), or electronic funds transfer (EFT). The Division shall provide instructions for proper completion of all forms.

(b) Forms shall be completed in full and must contain necessary signatures in order to be accepted. Companies and applicants shall submit all forms or complete other requirements within time schedules established under Chapter 58.

(c) Companies or applicants may duplicate forms without alteration or modification thereto.

(d) If any additional supporting documents, information or fees are required under Chapter 58, they shall be submitted with the appropriate forms or applications. The additional supporting documents, information, or fees required under Chapter 58 shall be filed electronically to the Commissioner or the Commissioner's designee. The actual cost of the electronic filing is the administrative fee charged by the Commissioner's designee which may include a transaction fee, a credit card processing fee, or other bank processing fee. The administrative fee shall be paid at the time of the electronic

filing transaction by the electronic payment options made available by the Commissioner's designee through electronic check, credit card, automated clearing house (ACH) or electronic funds transfer (EFT).

History Note: Authority G.S. 58-2-40; 58-2-250;
Eff. February 1, 1976;
Readopted Eff. June 12, 1978;
Amended Eff. October 1, 2010; February 1, 1989;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. June 25, 2016.

11 NCAC 06A .0202 FORM A-1
11 NCAC 06A .0203 FORM A-2
11 NCAC 06A .0204 APPLICATION FOR BROKER'S LICENSE
11 NCAC 06A .0205 LICENSE APPLICATION/MOTOR VEHICLE DAMAGE APPRAISERS
11 NCAC 06A .0206 EXAMINATION PERMIT
11 NCAC 06A .0207 FAILURE LETTER-PERMIT

History Note: Authority G.S. 58-9; 58-40; 58-40.2; 58-40.6; 58-41.1; 58-44.2;
Eff. February 1, 1976;
Readopted Eff. June 12, 1978;
Amended Eff. July 1, 1986;
Repealed Eff. February 1, 1989.

11 NCAC 06A .0208 BOND FORMS FOR ACCIDENT AND HEALTH AGENTS
11 NCAC 06A .0209 BOND FORM FOR AGENTS AND GENERAL AGENTS: NON-RESIDENTS

History Note: Authority G.S. 58-9; 58-41;
Eff. February 1, 1976;
Readopted Eff. June 12, 1978;
Repealed Eff. July 1, 1986.

11 NCAC 06A .0210 N.C. RESIDENT BROKER'S INSURANCE BOND

The "North Carolina Resident Broker's Insurance Bond" shall include the name of the principal, name of the surety, date and conditions of bond, bond number, amount of the bond, appropriate signatures and other pertinent information and must be accompanied by a power of attorney.

History Note: Authority G.S. 58-33-30(f)(1);
Eff. February 1, 1976;
Readopted Eff. June 12, 1978;
Amended Eff. February 1, 1989;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. June 25, 2016.

11 NCAC 06A .0211 N.C. NON-RESIDENT BROKER'S INSURANCE BOND

History Note: Authority G.S. 58-33-30(f)(1);
Eff. February 1, 1976;
Readopted Eff. June 12, 1978;
Amended Eff. February 1, 1989;
Repealed Eff. February 1, 2008.

11 NCAC 06A .0212 LICENSES

The Commissioner shall issue an electronic license record to the licensed individual or business entity showing the name of the licensee, identifying number of the licensee, date of issue and, if applicable, the type of insurance a licensee is authorized to sell and the terms of the license.

History Note: Authority G.S. 58-2-40; 58-33-26(k);

Eff. February 1, 1976;
Readopted Eff. June 12, 1978;
Amended Eff. October 1, 2010; October 1, 1990; February 1, 1989; July 1, 1986;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. June 25, 2016.

- 11 NCAC 06A .0213 SELF-EMPLOYED ADJUSTER RENEWAL APPLICATION**
- 11 NCAC 06A .0214 MOTOR VEHICLE DAMAGE APPRAISER RENEWAL APPLICATION**
- 11 NCAC 06A .0215 RESIDENT BROKER APPLICATION**
- 11 NCAC 06A .0216 NONRESIDENT BROKER APPLICATION**

History Note: Authority G.S. 58-33-25(n); 58-33-30(a); 58-33-30(h)(1); 58-33-30(h)(2); 58-33-125;
Eff. February 1, 1976;
Readopted Eff. June 12, 1978;
Amended Eff. October 1, 1990; February 1, 1989;
Repealed Eff. April 1, 2003.

11 NCAC 06A .0217 NORTH CAROLINA NOTICE OF CANCELLATION

History Note: Authority G.S. 58-33-55(a)(b);
Eff. February 1, 1976;
Readopted Eff. June 12, 1978;
Amended Eff. February 1, 1989;
Repealed Eff. February 1, 2008.

11 NCAC 06A .0218 TERMINATION OF AGENT WRITING AUTOMOBILE INSURANCE

History Note: Authority G.S. 58-9; 58-40.01; 58-44.3;
Eff. June 12, 1978;
Repealed Eff. July 1, 1986.

11 NCAC 06A .0219 APPLICATION TO DETERMINE ELIGIBILITY FOR DESIGNATED AGENT

The "Application to Determine Eligibility for Designated Agent" shall include the name and address of the agent, evidence that the agent has satisfied the statutory requirements set out in G.S. 58-37-35(g)(6) and other information to aid the Division in determining the qualification of the applicant. The form must be signed by the applicant and notarized.

History Note: Authority G.S. 58-2-40; 58-37-35(g)(6);
Eff. June 12, 1978;
Amended Eff. October 1, 1990; February 1, 1989;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. June 25, 2016.

11 NCAC 06A .0220 DESIGNATED AGENT BOND

The "Designated Agent Bond" shall include the name of the principal, name of the surety, date and conditions of the bond, bond number, amount of the bond, appropriate signatures and other pertinent information and must be accompanied by a power of attorney.

History Note: Authority G.S. 58-37-35(g)(6);
Eff. February 1, 1989;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. June 25, 2016.

- 11 NCAC 06A .0221 CANDIDATE GUIDE**
- 11 NCAC 06A .0222 NORTH CAROLINA INSURANCE LICENSE APPLICATION**
- 11 NCAC 06A .0223 NORTH CAROLINA LIMITED REPRESENTATIVE APPLICATION**
- 11 NCAC 06A .0224 ADJUSTER AND APPRAISER N.C. LICENSE APPLICATION**
- 11 NCAC 06A .0225 APPOINTMENT OF NORTH CAROLINA AGENT**
- 11 NCAC 06A .0226 TERMINATION OF NORTH CAROLINA AGENT APPOINTMENT**

11 NCAC 06A .0227 APPLICATION FOR LICENSE TO REPRESENT A PURCHASING GROUP
11 NCAC 06A .0228 BOND (FORM B) PG-2
11 NCAC 06A .0229 N.C. INSURANCE AGENT/LICENSE APPLICATION RISK RETENTION
11 NCAC 06A .0230 APPOINTMENT OF NORTH CAROLINA AGENT - RISK RETENTION
11 NCAC 06A .0231 TERMINATION OF NORTH CAROLINA AGENT - RISK RETENTION
11 NCAC 06A .0232 APPLICATION FOR RESIDENT SURPLUS LINES LICENSE
11 NCAC 06A .0233 BOND (FORM B) SL-2

History Note: Authority G.S. 58-2-40; 58-21-65(b)(2),(f); 58-21-65(b)(4); 58-22-60; 58-33-30; 58-33-30(a); 58-33-35; 58-33-40(b)(c); 58-33-40(e);
Eff. February 1, 1989;
Amended Eff. October 1, 1990;
Temporary Adoption Eff. October 3, 1991 for a period of 180 days to expire on March 30, 1992;
Amended Eff. March 1, 1992;
Repealed Eff. April 1, 2003.

11 NCAC 06A .0234 RESIDENT SURPLUS LINES LICENSE RENEWAL

History Note: Authority G.S. 58-2-40; 58-21-40(d); 58-21-65(d),(f);
Eff. February 1, 1989;
Temporary Amendment Eff. October 3, 1991 For a Period of 180 Days to Expire on March 30, 1992;
Amended Eff. February 1, 1996; March 1, 1992;
Repealed Eff. October 1, 2010.

11 NCAC 06A .0235 CORPORATE SURPLUS LINES APPLICATION
11 NCAC 06A .0236 APPLICATION FOR CORPORATE/PARTNERSHIP INSURANCE LICENSE

History Note: Authority G.S. 58-2-40; 58-21-65(c)(d); 58-33-25(h); 58-33-30(a);
Eff. February 1, 1989;
Amended Eff. April 1, 1996; October 1, 1990;
Repealed Eff. April 1, 2003.

11 NCAC 06A .0237 FOREIGN MILITARY SALES AGENT LICENSE APPLICATION

The "Foreign Military Sales Agent License Application" shall include personal information, company name, number and address, signature of applicant and authorized company representative, a certificate signed by an officer of the company, and other information to aid the Division in determining if the applicant is qualified for the license.

History Note: Authority G.S. 58-33-15;
Eff. February 1, 1989;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. June 25, 2016.

11 NCAC 06A .0238 RENTAL CAR COMPANY LICENSE APPLICATION

History Note: Authority G.S. 58-2-40; 58-33-17; 58-33-125(c);
Temporary Adoption Eff. October 3, 1991 For a Period of 180 Days to Expire on March 30, 1992;
Eff. March 1, 1992;
Repealed Eff. October 1, 2010.

11 NCAC 06A .0239 NONRESIDENT SURPLUS LINES LICENSE APPLICATION
11 NCAC 06A .0240 NONRESIDENT SURPLUS LINES LICENSE RENEWAL

History Note: Authority G.S. 58-2-40; 58-21-40(d); 58-21-65(f);
Temporary Adoption Eff. October 3, 1991 for a period of 180 days to expire on March 30, 1992;
Eff. March 1, 1992;
Amended Eff. February 1, 1996;

Repealed Eff. April 1, 2003.

SECTION .0300 - EXAMINATIONS

11 NCAC 06A .0301 TYPES OF EXAMINATIONS

*History Note: Authority G.S. 58-2-40; 58-21-65(b)(3); 58-33-30(e);
Eff. February 1, 1976;
Readopted Eff. June 12, 1978;
Amended Eff. February 1, 1996, October 1, 1990; February 1, 1989; July 1, 1986;
Repealed Eff. April 1, 2003.*

11 NCAC 06A .0302 EXAMINATIONS – SPECIAL ACCOMMODATIONS (ADA)

An individual with a physical disability may have special assistance from other individuals acting as readers or recorders. Applicants requiring special assistance shall request the assistance from the test administrator before registration for the examination. Verification of handicaps and a statement of all assistance needed shall be included at the time of application.

*History Note: Authority G.S. 58-2-40; 58-33-30(e);
Eff. February 1, 1976;
Readopted Eff. June 12, 1978;
Amended Eff. February 1, 1996; February 1, 1989;
Amended Eff. April 1, 2003;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. June 25, 2016.*

11 NCAC 06A .0303 SCHEDULE OF EXAMINATIONS

The Division will publish or cause to have published the current schedules of examinations. The schedules shall include day, time and location of examination. The Commissioner may set other special times for examinations in addition to those listed on the current examination schedule. An applicant who cannot take the examination on a scheduled examination date for religious reasons may request an individually administered test. Such a request must be in writing by the applicant's religious advisor and sent with the application for examination and licensure. Individually administered examinations are given only on a pre-registered basis.

*History Note: Authority G.S. 58-33-30(e);
Eff. February 1, 1976;
Readopted Eff. June 12, 1978;
Amended Eff. February 1, 1989; July 1, 1986;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. June 25, 2016.*

11 NCAC 06A .0304 RESPONSIBILITY OF APPLICANT AT EXAMINATION SITE

(a) Applicants who have not previously failed the same examination shall bring to the examination site the Examination Admission Ticket/Certificate of Course Completion, their confirmation numbers obtained from the testing service at the time of registration, and two forms of proof of identity, one of which must be photo bearing.

(b) Applicants who have previously failed an examination may retake the examination and shall pay applicable fees for each administration.

(c) Applicants taking the life, accident and health or sickness, Medicare supplement, long term care, personal lines, property, or casualty examination shall bring to the examination site an Examination Admission Ticket/Certificate of Course Completion, validated by an approved prelicensing school or by the Division indicating that the applicant has successfully completed the mandatory prelicensing education requirements as specified in G.S. 58-33-30(d)(2). The Examination Admission Ticket/Certificate of Course Completion is valid for 90 days from the date of course completion or a maximum of five examination sittings, whichever occurs first.

(d) No applications shall be supplied at the examination site for completion by applicants; nor shall required supplies be furnished to applicants.

(e) Applicants shall arrive at the examination site at the time specified in the current examination schedule.

History Note: Authority G.S. 58-2-40; 58-33-30(d)(2); 58-33-31; 58-33-30(e); 58-33-125;
Eff. February 1, 1976;
Readopted Eff. June 12, 1978;
Amended Eff. February 1, 2008; April 1, 2003; April 1, 1996; October 1, 1990; February 1, 1989;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. June 25, 2016.

11 NCAC 06A .0305 ADMINISTRATION OF EXAMINATION

- (a) Individuals applying for an agent or adjuster license shall present to the test site personnel upon request the applicable items described in 11 NCAC 06A .0304(a) through (d).
- (b) Applicants may take simple function calculators, but shall not take textbooks, other books or papers into the examinations. Applicants found to have any of these materials shall not be allowed to continue the examination.
- (c) Applicants shall leave the examination room only after obtaining permission from the examination proctors and handing in exam materials. No extra time shall be allowed for completing the examination.
- (d) Any applicant who gives or receives assistance during the examination shall not receive an examination score. The proctors of the examination shall report the incident to the Commissioner.

History Note: Authority G.S. 58-2-40; 58-33-30(e);
Eff. February 1, 1976;
Readopted Eff. June 12, 1978;
Amended Eff. October 1, 2010; February 1, 1996; October 1, 1990; February 1, 1989;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. June 25, 2016.

11 NCAC 06A .0306 REGISTRATION FOR EXAMINATION

History Note: Authority G.S. 58-2-40; 58-33-30(e);
Eff. February 1, 1976;
Readopted Eff. June 12 1978;
Amended Eff. February 1, 1996; October 1, 1990; February 1, 1989;
Repealed Eff. April 1, 2003.

SECTION .0400 - LICENSING PROCEDURES

11 NCAC 06A .0401 LICENSES: GENERAL PROVISIONS

History Note: Authority G.S. 58-2-40; 58-21-65(f); 58-33-17; 58-33-25; 58-33-30(h);
Eff. February 1, 1976;
Readopted Eff. June 12, 1978;
Temporary Amendment Eff. October 3, 1991 for a period of 180 days to expire on March 30, 1992;
Amended Eff. March 1, 1992; October 1, 1990; February 1, 1989; July 1, 1986;
Repealed Eff. April 1, 2003.

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 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) 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
 - (4) Travel, 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 that office to 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 that office to whom all correspondence, licenses, and invoices will be forwarded.

(d) Responsibility of the agent, limited 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 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 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.

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

11 NCAC 06A .0403 LICENSING: NONRESIDENT AGENT, LTD REPRESENTATIVE AND ADJUSTER

History Note: Authority G.S. 58-2-40; 58-33-30(a),(h)(2);
Eff. February 1, 1976;
Readopted Eff. June 12, 1978;
Amended Eff. October 1, 1990; February 1, 1989;
Repealed Eff. April 1, 2003.

11 NCAC 06A .0404 LICENSING OF BROKER

(a) An applicant shall be a licensed agent in North Carolina for each kind of insurance to be brokered.

(b) A broker's license gives the holder authority to broker only those kinds of insurance for which he holds an agent's license. Brokering shall be done through a licensed and appointed agent of the company with which the business is being placed. A broker's license does not confer binding authority; it only gives authority to share in commissions with a writing agent.

(c) Each applicant shall file with his application a surety bond or cash, certificates of deposit, or securities as provided by statute. Any cash, certificate of deposit, or securities deposited in lieu of the surety bond shall be held in accordance with 11 NCAC 11B .0100.

History Note: Authority G.S. 58-2-40; 58-33-30(f),(h)(1);
Eff. February 1, 1976;
Readopted Eff. June 12, 1978;
Amended Eff. October 1, 1990; February 1, 1989; July 1, 1986;
Temporary Amendment Eff. October 3, 1991 For a Period of 180 Days to Expire on March 30, 1992;

*Amended Eff. February 1, 2008; March 1, 1992;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. June 25, 2016.*

11 NCAC 06A .0405 LICENSING OF NONRESIDENT BROKER

*History Note: Filed as a Temporary Amendment Eff. October 3, 1991 For a Period of 180 Days to Expire on March 30, 1992;
Authority G.S. 58-2-40; 58-33-30(f),(h)(2); 58-33-125(a);
Eff. February 1, 1976;
Readopted Eff. June 12, 1978;
Amended Eff. March 1, 1992; October 1, 1990; February 1, 1989;
Repealed Eff. February 1, 2008.*

**11 NCAC 06A .0406 LICENSING OF RESIDENT VARIABLE CONTRACT LTD REPRESENTATIVE
11 NCAC 06A .0407 LICENSING/NON-RESIDENT VARIABLE CONTRACT LTD REPRESENTATIVE**

*History Note: Authority G.S. 58-614(e)(1); 58-615;
Eff. February 1, 1976;
Readopted Eff. June 12, 1978;
Amended Eff. February 1, 1989;
Repealed Eff. October 1, 1990.*

11 NCAC 06A .0408 LICENSING OF MOTOR VEHICLE DAMAGE APPRAISER

*History Note: Authority G.S. 58-2-40; 58-33-10(14); 58-33-30;
Eff. February 1, 1976;
Readopted Eff. June 12, 1978;
Amended Eff. October 1, 1990; February 1, 1989; July 1, 1986;
Repealed Eff. February 1, 2008.*

11 NCAC 06A .0409 LICENSING OF OTHER AGENTS AND ADJUSTERS

*History Note: Authority G.S. 58-9; 58-40; 58-268;
Eff. February 1, 1976;
Readopted Eff. June 12, 1978;
Repealed Eff. February 1, 1989.*

11 NCAC 06A .0410 TEMPORARY LICENSE

*History Note: Authority G.S. 58-2-40; 58-33-65;
Eff. February 1, 1976;
Readopted Eff. June 12, 1978;
Amended Eff. February 1, 1996; October 1, 1990; February 1, 1989; July 1, 1986;
Repealed Eff. April 1, 2003.*

11 NCAC 06A .0411 LIMITED LICENSES

*History Note: Authority G.S. 58-41.2;
Eff. February 1, 1976;
Readopted Eff. June 12, 1978;
Repealed Eff. February 1, 1989.*

11 NCAC 06A .0412 APPOINTMENT OF AGENT: RESPONSIBILITY OF COMPANY

Before appointing an agent, an insurance company shall determine that:

- (1) The agent holds the proper license for each kind of authority for which the agent will be appointed; and
- (2) The agent has not committed any act that is a ground for probation, suspension, nonrenewal, or revocation set forth in G.S. 58-33-46.

History Note: Authority G.S. 58-2-40; 58-33-40; 58-33-46; 18 U.S.C. 1033;
Eff. February 1, 1989;
Amended Eff. April 1, 2003; October 1, 1990;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. June 25, 2016.

11 NCAC 06A .0413 LICENSING OF BUSINESS ENTITIES

History Note: Authority G.S. 58-2-40; 58-33-31;
Eff. February 1, 1989;
Amended Eff. March 1, 2008; April 1, 2003; February 1, 1996; October 1, 1990;
Repealed Eff. October 1, 2010.

11 NCAC 06A .0414 ADJUSTER'S LEARNER'S PERMIT

History Note: Authority G.S. 58-2-40; 58-33-70;
Eff. October 1, 1990;
Amended Eff. April 1, 2003;
Repealed Eff. February 1, 2008.

11 NCAC 06A .0415 LICENSING OF RENTAL CAR COMPANIES' EMPLOYEES/REPRESENTATIVES

History Note: Filed as a Temporary Repeal Eff. October 3, 1991 For a Period of 180 Days to Expire on March 30, 1992;
Authority G.S. 58-2-40; 66-205;
Eff. October 1, 1990;
Repealed Eff. March 1, 1992.

11 NCAC 06A .0416 LICENSING OF RENTAL CAR COMPANIES

- (a) An applicant must meet the minimum qualifications in G.S. 58-33-17.
- (b) An applicant must make application on a form prescribed by the Commissioner along with the fee prescribed by G.S. 58-33-125(c).
- (c) An applicant must submit for approval a copy of any brochure as required in G.S. 58-33-17(f)(2). Any changes in the brochure must be submitted for approval at least 90 days before the proposed effective date of such changes.
- (d) An applicant must submit for approval a copy of its employee training program. Any changes in the training program must be submitted for approval at least 90 days before the proposed effective date of such changes.
- (e) Each employee of the licensee who sells insurance coverages in relation to a rental agreement must meet the minimum training requirements in the types of insurance authorized in G.S. 58-33-17(e).
- (f) A list of all employees who have successfully completed the training course required in G.S. 58-33-17(h) and approved by the Commissioner must be maintained at each licensee's location and must be available for inspection upon request by the Commissioner at all times during normal business hours.
- (g) The licensee must notify the Commissioner in writing of any changes, including changes of addresses or the addition of new rental locations, within 30 days after such changes.
- (h) The licensee must provide the Commissioner with any changes of coverages being provided or insurers at least 30 days before the effective dates of such changes. If there is a change in insurer, the written notification must be accompanied by a newly executed certification executed by the insurer.
- (i) The certification from the insurer providing coverage shall include the:
 - (1) name of the licensee;
 - (2) name of the insurer providing coverage;
 - (3) types of coverage being offered;

- (4) policy form number; and
- (5) signature and title of the insurance company officer executing the certificate.

History Note: Authority G.S. 58-2-40; 58-33-17; 58-33-125(c);
Temporary Adoption Eff. October 3, 1991 For a Period of 180 Days to Expire on March 30, 1992;
Eff. March 1, 1992;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. June 25, 2016.

11 NCAC 06A .0417 REQUIREMENTS FOR PRE NEED LIMITED REP. AGENT

Individuals applying to be licensed to sell prearrangement insurance policies, as defined in G.S. 58-60-35(a)(2), shall submit a Uniform Limited Insurance Representative Application and appropriate fees. Applicants shall also submit evidence that they are licensed to sell preneed funeral contracts under G.S. 90, Article 13D.

History Note: Authority G.S. 58-2-40; 58-33-26(g)(5);
Eff. February 1, 1996;
Amended Eff. April 1, 2003;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. June 25, 2016.

11 NCAC 06A .0418 FINGERPRINTS REQUIRED FOR CRIMINAL RECORD CHECKS

(a) An applicant for a resident insurance producer license shall furnish the Commissioner with a complete set of the applicant's fingerprints as authorized by G.S. 58-33-48. An applicant for an insurance producer license as defined in G.S. 58-33-10(7), includes:

- (1) An applicant for an initial resident insurance producer license;
- (2) A non-resident insurance producer applying for a resident insurance producer license;
- (3) An adjuster applying for an initial resident insurance producer license;
- (4) A resident insurance producer license applicant applying for reinstatement of an insurance producer license that has been lapsed for more than one year; and
- (5) A resident insurance producer license applicant whose license has been suspended or revoked for non-payment of child support pursuant to G.S. 110-142.1.

(b) As authorized by G.S. 58-33-48, fingerprints shall be furnished in the following manner:

- (1) Each resident insurance producer license applicant who is required to submit fingerprints under G.S. 58-33-48 shall have a complete set of their fingerprints electronically captured by a criminal law enforcement agency approved by State Bureau of Investigation (SBI) to submit fingerprints via electronic means;
- (2) Each resident insurance producer license applicant who is required to submit fingerprints under G.S. 58-33-48 shall submit with the insurance producer license application the Electronic Fingerprint Submission Release of Information Form that has been completed and certified by a law enforcement officer that the applicant's fingerprints have been submitted via electronic means to the SBI;
- (3) Each resident insurance producer license applicant who is required to submit fingerprints under G.S. 58-33-48 shall submit with the insurance producer license application the Authority for Release of Information form required by the SBI to release the criminal history record check information to the Department;
- (4) Each resident insurance producer license applicant who is required to submit fingerprints under G.S. 58-33-48 shall submit with the insurance producer license application the cost for the state and national criminal history record fee that is set forth pursuant to G.S. 114-19.1(a); and
- (5) All fingerprint impressions must be suitable for use by the SBI to conduct a state criminal history record check and for the Federal Bureau of Investigations (FBI) to conduct a national criminal history record check. If the SBI deems the electronic fingerprints are not suitable, the Commissioner shall notify and provide instructions to the applicant to resubmit his fingerprints in the manner set forth in Subparagraph (1) of this Paragraph within 30 days.

(c) The application of a resident insurance producer required to submit fingerprints is not be complete until the Commissioner receives the state and national criminal history record information. In accordance with G.S. 58-33-30(a), the Commissioner shall not issue the license of an insurance producer that does not satisfy the license application requirements.

History Note: Authority G.S. 58-2-40; 58-33-30; 58-33-48;
Eff. October 1, 2010;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. June 25, 2016.

SECTION .0500 - RENEWAL AND CANCELLATION OF LICENSES

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

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

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

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

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

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

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

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);
Eff. February 1, 1976;
Readopted Eff. June 12, 1978;
Amended Eff. October 1, 2010; February 1, 1996; October 1, 1990; February 1, 1989; July 1, 1986;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. June 25, 2016;
Amended Eff. August 1, 2021.

11 NCAC 06A .0502 RENEWAL OF BROKERS' LICENSES

11 NCAC 06A .0503 RENEWAL: SELF-EMPLOYED ADJUSTER: MOTOR VEHICLE DAMAGE APPR

History Note: Authority G.S. 58-2-40; 58-33-25(n); 58-33-30(f); 58-33-125;
Eff. February 1, 1976;
Readopted Eff. June 12, 1978;
Amended Eff. October 1, 1990; February 1, 1989;
Repealed Eff. April 1, 2003.

11 NCAC 06A .0504 FAILURE TO RENEW LICENSE

Failure to renew a broker, limited representative, adjuster or motor vehicle damage appraiser license by March 31 by payment of the annual renewal fee as specified in G.S. 58-33-125(a) shall result in automatic lapse of the license on April 1 by the Division.

History Note: Authority G.S. 58-2-40; 58-33-26(m); 58-33-125(a);
Eff. February 1, 1976;
Readopted Eff. June 12, 1978;
Amended Eff. October 1, 2010; February 1, 1989;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. June 25, 2016.

11 NCAC 06A .0505 TERMINATION OF APPOINTMENTS FOR LIMITED REPS

All companies shall submit termination of appointments through an electronic system provided by the Commissioner.

History Note: Authority G.S. 58-2-40; 58-2-250; 58-33-56(b);
Eff. June 12, 1978;
Amended Eff. October 1, 2010; October 1, 1990; February 1, 1989; July 1, 1986;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. June 25, 2016.

11 NCAC 06A .0506 CANCELLATION OF LICENSES ISSUED TO INDIVIDUALS

(a) Any insurance producer, adjuster, viatical settlement broker or surplus lines licensee desiring to cancel a license shall submit a written request to the Division.

(b) Cancellation of a license automatically terminates all appointments for the kind of insurance covered by the license.

History Note: Authority G.S. 58-2-40; 58-33-40(e);
Eff. February 1, 1989;
Amended Eff. October 1, 2010; April 1, 2003; October 1, 1990;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. June 25, 2016.

11 NCAC 06A .0507 TERMINATION OF AGENT APPOINTMENT

History Note: Authority G.S. 58-33-40(e);
Eff. February 1, 1989;
Repealed Eff. April 1, 2003.

11 NCAC 06A .0508 RENTAL CAR COMPANY LICENSE RENEWAL

History Note: Authority G.S. 58-2-40; 58-33-17; 58-33-25(n); 58-33-125;
Temporary Adoption Eff. October 3, 1991 for a period of 180 days to expire on March 30, 1992;
Eff. March 1, 1992;
Repealed Eff. April 1, 2003.

SECTION .0600 - DENIAL OF LICENSE

11 NCAC 06A .0601 BASIS FOR DENIAL OF LICENSE

History Note: Authority G.S. 58-2-40; 58-33-45;
Eff. February 1, 1976;
Readopted Eff. June 12, 1978;
Amended Eff. October 1, 1990; February 1, 1989; July 1, 1986;
Repealed Eff. April 1, 2003.

11 NCAC 06A .0602 COURT RECORDS AND AFFIDAVITS REQUIRED

An individual who has been convicted of an offense specified in G.S. 58-33-46(a)(6), shall submit to the Division the following information with the application for licensure and examination:

- (1) a copy of the entire court record including the judgment, as well as a complete criminal history check;
- (2) a copy of unconditional release or unconditional discharge from the Post Release Supervision and Parole Commission, if applicable, on the forms provided by the North Carolina Department of Correction;
- (3) if the applicant or licensee is currently employed or expects to be employed by an insurer, agency, company or firm in the business of insurance, the applicant or licensee shall submit a letter from the employer or potential employer stating that the applicant or licensee has disclosed to the employer information about the conviction;
- (4) a notarized affidavit from the applicant about the conviction; and
- (5) if applicable, a statement from the applicant's probation officer.

History Note: Authority G.S. 58-2-40; 58-33-46(6);
Eff. February 1, 1976;
Readopted Eff. June 12, 1978;
Amended Eff. April 1, 2003; October 1, 1990; April 1, 1989; July 1, 1986;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. June 25, 2016.

11 NCAC 06A .0603 EVALUATION OF RECORDS AND AFFIDAVITS

In its evaluation of court records and affidavits, the Division shall consider all information and as many facts as are presented to it, including, but not limited to:

- (1) time elapsed since last offense or conviction;
- (2) seriousness of the offense or alleged offense;
- (3) extenuating circumstances, particularly in the case of juvenile offenses;
- (4) statements of character witnesses, including the notarized affidavits which are submitted by previous employers.

History Note: Authority G.S. 58-33-45;
Eff. February 1, 1976;
Readopted Eff. June 12, 1978;
Amended Eff. February 1, 1989;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. June 25, 2016.

11 NCAC 06A .0604 PERSONAL INTERVIEWS

History Note: Authority G.S. 58-33-45;
Eff. February 1, 1976;
Readopted Eff. June 12, 1978;
Amended Eff. February 1, 1989;
Repealed Eff. February 1, 2008.

11 NCAC 06A .0605 NOTIFICATION OF DENIAL OF LICENSE

History Note: Authority G.S. 58-9;
Eff. February 1, 1976;
Readopted Eff. June 12, 1978;
Repealed Eff. February 1, 1989.

SECTION .0700 - PRELICENSING EDUCATION

11 NCAC 06A .0701 GENERAL REQUIREMENTS

(a) This Section applies to individuals attempting to obtain a resident license to solicit property, casualty, personal lines, life, accident and health, or sickness insurance in North Carolina except as specifically exempted by Paragraphs (b) and (c) of this Rule.

(b) Individuals who are exempt from the requirement for a written examination pursuant to G.S. 58-33-35 are exempt from prelicensing education requirements.

(c) Individuals holding one or more of the following insurance designations are exempt from prelicensing education requirements:

- (1) Accident and health or sickness:
 - (A) Registered Health Underwriter (RHU);
 - (B) Certified Employee Benefits Specialist (CEBS);
 - (C) Registered Employee Benefits Consultant (REBC); and
 - (D) Health Insurance Associate (HIA).
- (2) Life:
 - (A) Certified Insurance Counselor (CIC);
 - (B) Certified Employee Benefits Specialist (CEBS); and

- (C) Certified Financial Planner (CFP).
- (3) Property:
 - (A) Accredited Advisor in Insurance (AAI);
 - (B) Associate in Risk Management (ARM); and
 - (C) Certified Insurance Counselor (CIC).
- (4) Casualty:
 - (A) Accredited Advisor in Insurance (AAI);
 - (B) Associate in Risk Management (ARM); and
 - (C) Certified Insurance Counselor (CIC).
- (5) Personal lines:
 - (A) Accredited Advisor in Insurance (AAI);
 - (B) Associate in Risk Management (ARM); and
 - (C) Certified Insurance Counselor (CIC).
- (6) Property, casualty, personal lines, life, accident and health or sickness:
 - (A) Holder of degree in insurance (associate or bachelors);
 - (B) An individual whose license in another state or jurisdiction for the same kind of insurance as that for which applied has been cancelled within 60 days of the Division's receipt of the letter of clearance and the individual's request for waiver of prelicensing education; and
 - (C) An individual who is licensed in another state or jurisdiction for the same kind of insurance as that for which applied.

(d) If an applicant exempted from prelicensing education under the provisions of Paragraph (c) of this Rule fails the examination, the applicant must successfully meet North Carolina's mandatory prelicensing education requirement prior to retaking the examination.

(e) In this Section, unless otherwise noted the following definitions apply:

- (1) "Classroom School" means an entity that provides prelicensing education sponsored by a company, agency, association or educational institution by an instructor utilizing a teaching curriculum based on the outline.
- (2) "Correspondence Course" means home, self, individual, Internet or correspondence study utilizing programmed text instructions.
- (3) "Correspondence School" means an entity that provides prelicensing education sponsored by a company, agency, association or educational institution through completion of a correspondence course that has been approved by the Commissioner, with students individually supervised by an approved instructor.
- (4) "Instructional Hour" means a 50-minute hour.
- (5) "Instructor" means an individual who meets the qualifications required by Rule .0705 of this Section:
 - (A) to instruct in a classroom school, who is responsible for preparation and presentation of lesson plans to assure that the outline is taught to that school's students, and who prepares a final course examination; and
 - (B) in a correspondence school to assist and supervise students in the completion of an approved correspondence or Internet course.
- (6) "Outline" means an instructor/examination content outline prepared and published by the Department in the "State of North Carolina Insurance Licensure Examination Candidate Guide".
- (7) "Program Director" means the individual associated with an approved classroom or correspondence school who is responsible for the administration of that school according to Rule .0702(1) of this Section.

*History Note: Authority G.S. 58-2-40; 58-33-30(d); 58-33-35; 58-33-132;
 Eff. February 1, 1989;
 Amended Eff. April 1, 1996; October 1, 1990;
 Amended Eff. February 1, 2008;
 Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. June 25, 2016.*

- (a) This Rule applies to all classroom and correspondence schools offering a prelicensing course prescribed by G.S. 58-33-30. All schools desiring to conduct a prelicensing course shall be approved by the Commissioner before commencement of the courses.
- (b) A school seeking approval to conduct a prelicensing course shall make written application to the Commissioner.
- (c) The Division shall approve a school when:
- (1) the school has submitted all information required by the Rules in this Section;
 - (2) the course to be conducted complies with Rule .0704 of this Section;
 - (3) the program director has been approved by the Commissioner in accordance with Rule .0703 of this Section; and
 - (4) the school has a qualified instructor to teach each kind of insurance for which it is seeking approval.
- (d) The Commissioner shall deny, revoke, suspend, or terminate approval of any school upon finding that:
- (1) the school has refused or failed to comply with any of the provisions of this Section;
 - (2) any school official or instructor has obtained or used, or attempted to obtain or use, in any manner or form, licensing examination questions;
 - (3) the school's students have a first-time licensing examination performance record that is below the average examination performance record of all first-time examination candidates;
 - (4) the school has not conducted at least one prelicensing course during any 12-month period; or
 - (5) the school has refused or failed to submit information or properly completed forms prescribed by the Commissioner.
- (e) In all proceedings to deny, revoke, suspend, or terminate approval of a school, the provisions of Chapter 150B of the General Statutes are applicable.
- (f) When a school's approval is discontinued, the procedure for reinstatement is to apply as a new school, with a statement of the reasons that the school is now eligible for reconsideration.
- (g) If a school's approval has been suspended upon the Commissioner's finding that the school has not conducted at least one prelicensing course during any 12-month period that school may reapply after one year of suspension. At such time, the Commissioner shall give the school six months to conduct at least one prelicensing course.
- (h) A school shall notify the Commissioner of any change of course location or schedule information no fewer than five business days before the change. Notification of the changes shall be in writing.
- (i) An approved school that intends to terminate its prelicensing program shall notify the Commissioner in writing.
- (j) A school shall notify the Commissioner in writing of a change of textbook.
- (k) An approved school may use, for advertising or promotional purposes, examination performance data made available to the school by the Commissioner, provided that any data disclosed by the school shall be accurate, shall be presented in a manner that is not misleading, and shall:
- (1) be limited to the annual examination performance data for the particular school and for all examination candidates in the State; and
 - (2) include the type of examination, the time period covered, the number of first-time candidates examined, and either the number or percentage of first-time candidates passing the examination.
- (l) A classroom school's facilities and equipment shall have been found by appropriate local code inspectors to be in compliance with all applicable local, State and federal laws and regulations regarding safety, sanitation, and access by persons with disabilities.
- (m) The school shall designate one person as the program director. The program director shall be responsible for administrative matters such as recruiting, evaluating and certifying the qualifications of instructors, developing programs, scheduling of classes, advertising, maintaining facilities and equipment, recordkeeping and supervising of the prelicensing program.
- (n) A school shall publish and provide to all prelicensing students before enrollment a publication of that school that contains the following information:
- (1) name of school and publication date;
 - (2) name of sponsor;
 - (3) all associated costs; and
 - (4) an outline or description of all prelicensing courses offered.
- (o) With the exception of correspondence or Internet courses, a school shall file with the Commissioner information giving exact dates, times, locations, and instructor name for each scheduled prelicensing course. This information may be submitted either at the beginning of each quarter or semester or no later than one week before the first class meeting of each prelicensing course.
- (p) Classroom schools shall retain the following material on file at one location for at least three years:

- (1) class schedules;
- (2) advertisements;
- (3) bulletins, catalogues, and other official publications;
- (4) grade reports, showing a numeric grade for each student;
- (5) attendance records;
- (6) master copy of each final course examination, indicating the answer key, the school name, course location, course dates and name of instructor;
- (7) list of student names and their license identifying numbers for each course, and the name of the instructor; and
- (8) student registration information.

All files shall be made available to the Commissioner upon request.

(q) Correspondence and Internet schools shall retain the following material on file at one location for at least three years:

- (1) advertisements;
- (2) bulletins, catalogues and other official publications;
- (3) grade reports;
- (4) list of student names and their license identifying numbers for each course, and the name of the instructor;
- (5) student registration information that shall be obtained prior to the distribution of course material; and
- (6) student records to validate the integrity of the security measures utilized by the provider.

All files shall be made available to the Commissioner upon request.

(r) In the event of illness, injury or death of an instructor, the program director may use a qualified instructor to complete a course.

History Note: Authority G.S. 58-2-40; 58-33-30(d); 58-33-132; Eff. February 1, 1989; Amended Eff. February 1, 2008; April 1, 2003; April 1, 1996; November 1, 1990; Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. June 25, 2016.

11 NCAC 06A .0703 PROGRAM DIRECTORS

- (a) All program directors shall be approved by the Commissioner in accordance with the provisions of this Section.
- (b) A person desiring approval as a program director shall make written application to the Commissioner upon a form prescribed by the Commissioner.
- (c) Applications must be endorsed by the president/chief operating officer of the sponsoring educational institution, company, agency or association. If the employing school is not currently approved by the Commissioner, an application for school approval shall be submitted along with the application for program director approval.
- (d) The Commissioner shall approve an applicant as a program director upon finding that the applicant is recommended by the president/chief operating officer of the sponsoring educational institution, company, agency or association; has submitted all information required by the Commissioner; possesses good character and reputation; and:
 - (1) Holds a baccalaureate or higher degree and has at least two years of experience as an instructor of insurance or as an educational administrator;
 - (2) Holds a baccalaureate or higher degree and has at least six years of experience in the insurance industry with a minimum of two years of experience in insurance management;
 - (3) Is a full-time college or faculty member who regularly teaches risk management or insurance courses; or
 - (4) Has education and experience that are found by the Commissioner to be equivalent to the qualifications described in Subparagraphs (d)(1) and (d)(2) of this Rule.
- (e) Program director approval shall be valid for an indefinite period, subject to future changes in laws or regulations regarding approval of program directors.
- (f) The Commissioner shall deny, revoke, or suspend the approval of any program director upon finding that:
 - (1) The program director fails to meet the criteria for approval provided by this Rule;
 - (2) The program director has failed to comply with any provisions of this Section;
 - (3) The program director's employment has been terminated by any sponsoring educational institution/company;
 - (4) The program director provided false information to the Commissioner when making application for approval;

- (5) The program director has at any time had an insurance license denied, suspended or revoked by the North Carolina Department of Insurance or any other insurance department, or has ever been required to return a license while under investigation; or
 - (6) The program director has obtained or used, or attempted to obtain or use, in any manner or form, examination questions.
- (g) In all proceedings to deny, revoke, or suspend approval, the provisions of Chapter 150B of the General Statutes shall be applicable.
- (h) When a program director's approval is discontinued, the procedure for reinstatement is to apply as a new program director, with a statement of the reasons that he is now eligible for reconsideration. The Commissioner may require an investigation before new approval is granted.
- (i) An approved program director shall inform the Commissioner of any change in program affiliation by filing an application for program director approval prior to directing a new program.
- (j) The program director is responsible for the actions of the approved school's instructors.

History Note: Authority G.S. 58-2-40; 58-33-30(d); 58-33-132; Eff. February 1, 1989; Amended Eff. February 1, 2008; October 1, 1990; Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. June 25, 2016.

11 NCAC 06A .0704 COURSES

- (a) This Rule establishes minimum standards for property, casualty, personal lines, life, accident and health or sickness and Medicare supplement, and long term care insurance prelicensing courses required under G.S. 58-33-30.
- (b) Insurance prelicensing programs shall comprise courses in the following subjects:
 - (1) Accident and health or sickness;
 - (2) Casualty;
 - (3) Life;
 - (4) Medicare supplement insurance and long-term care insurance;
 - (5) Personal lines; and
 - (6) Property.
- (c) A school shall not offer a property, casualty, personal lines, life, accident and health or sickness course comprising fewer than 20 hours or a Medicare supplement and long term care course comprising fewer than 10 hours.
- (d) The following requirements are course standards:
 - (1) All courses shall consist of instruction in the subject areas described in G.S. 58-33-30(d)(2) and 58-33-30(d)(3).
 - (2) Courses may also include coverage of related subject areas not prescribed by the Commissioner; however, such courses must provide additional class time, above the minimum requirement stated in Paragraph (c) of this Rule, for the coverage of such subject areas.
 - (3) Prelicensing courses shall be for instructional purposes only and not for promoting the interests of or recruiting employees for any particular insurance agency or company.
 - (4) Schools shall establish and enforce academic standards for course completion that assure that students receiving a passing grade possess knowledge and understanding of the subject areas prescribed for the course. In any course for which college credit is awarded, the passing grade for such course shall be the same as the grade that is considered passing under the school's uniform grading system.
 - (5) Schools shall conduct a final comprehensive course examination that covers all subject areas prescribed by the Commissioner for each course. Schools may allow a student to make up a missed examination or to retake a failed examination in accordance with policies adopted by the school. No final examination shall be given until a student has completed the instructional requirement.
 - (6) Students shall attend a minimum of 20 hours of property, casualty, personal lines, life, accident and health or sickness instruction or a minimum of 10 hours of Medicare supplement and long term care instruction. Time set aside for breaks, pop-tests, quizzes, the final comprehensive course examination and other non-instructional activities shall not count toward the minimum instructional requirement. If a property, casualty, personal lines, life, accident and health or sickness course is scheduled for 25 or more instructional hours, a student shall attend at least 80 percent of the total hours offered by the course.
- (e) The following requirements shall be met for scheduling purposes:

- (1) Class meetings or correspondence courses shall be limited to a maximum of eight hours of instruction in any given day.
 - (2) Classroom courses shall have fixed beginning and ending dates and may not be conducted on an open-entry/open-exit basis.
 - (3) Correspondence or Internet courses shall not have fixed beginning and ending dates and shall be conducted on an open-entry basis.
- (f) The following shall apply to the use of text books:
- (1) Choice of classroom course text is at the discretion of each school.
 - (2) Text books used in correspondence or Internet courses shall be approved by the Commissioner before use. No text book used in a correspondence course shall be approved unless it contains instruction in the subject areas described in G.S. 58-33-30(d)(2) and 58-33-30(d)(3).
- (g) All preclicensing classroom school courses shall be taught by instructors who meet the qualifications described in Rule .0705 of this Section.
- (h) All preclicensing correspondence courses shall be monitored by instructors who meet the qualifications described in Rule .0705 of this Section. An instructor shall be designated for each correspondence or Internet course student.
- (i) The following certification of course completion procedures shall apply:
- (1) Schools shall validate each student who successfully completes a preclicensing course with an Examination Admission Ticket/Certificate of Course Completion. The Examination Admission Ticket/Certificate of Course Completion shall not be validated for a student prior to completion of all course requirements and the passing of the course's comprehensive final examination.
 - (2) An Examination Admission Ticket/Certificate of Course Completion shall be validated for each course successfully completed by a student. An Examination Admission Ticket/Certificate of Course Completion presented at the examination site that indicates completion of more than one course shall be invalid.
 - (3) An Examination Admission Ticket/Certificate of Course Completion shall be valid for access to the examination for 90 days or a maximum of five examination attempts, whichever occurs first. If an applicant for a license does not successfully pass the examination within 90 days or five examination attempts in the 90-day period, the applicant shall again meet the preclicensing education requirement to be eligible for the examination.

*History Note: Authority G.S. 58-2-40; 58-33-30(d); 58-33-132;
 Eff. February 1, 1989;
 Amended Eff. February 1, 2008; April 1, 1996; October 1, 1990;
 Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. June 25, 2016.*

11 NCAC 06A .0705 INSTRUCTORS

- (a) Each instructor shall have the following qualifications which shall be verified by the instructor's preclicensing education school:
- (1) Accident and health or sickness; Medicare supplement insurance and long-term care insurance:
 - (A) Registered Health Underwriter (RHU);
 - (B) Certified Employee Benefits Specialist (CEBS);
 - (C) Registered Employee Benefits Consultant (REBC);
 - (D) Health Insurance Associate (HIA);
 - (E) Five years of full-time experience as an employee, agent, or broker interpreting or explaining policies covering accident and health or sickness insurance, Medicare supplement insurance or long term care insurance;
 - (F) Holds an associate degree or bachelor's degree in insurance; or
 - (G) Has education and experience that are found by the Commissioner to be equivalent to the qualifications described in Rule .0703(d)(1) and (d)(2) of this Section.
 - (2) Life insurance and annuities:
 - (A) Chartered Life Underwriter (CLU);
 - (B) Chartered Financial Consultant (ChFC);
 - (C) Fellow Life Management Institute (FLMI);
 - (D) Life Underwriter Training Council Fellow (LUTCF);
 - (E) Certified Employee Benefits Specialist (CEBS);

- (F) Certified Financial Planner (CFP);
 - (G) Five years of full-time experience as an employee, agent, or broker interpreting or explaining life insurance policies, or annuities;
 - (H) Holds an associate degree or bachelor's degree in insurance; or
 - (I) Has education and experience that are found by the Commissioner to be equivalent to the qualifications described in Rule .0703(d)(1) and (d)(2) of this Section.
- (3) Property insurance, casualty insurance, and personal lines:
- (A) Chartered Property and Casualty Underwriter (CPCU);
 - (B) Accredited Advisor in Insurance (AAI);
 - (C) Associate in Risk Management (ARM);
 - (D) Certified Insurance Counselor (CIC);
 - (E) Five years of full-time experience as an employee, agent, or broker interpreting or explaining property insurance, casualty insurance, or personal lines policies;
 - (F) Holds an associate degree or bachelor's degree in insurance; or
 - (G) Has education and experience that are found by the Commissioner to be equivalent to the qualifications described in Rule .0703(d)(1) and (d)(2) of this Section.
- (b) An applicant for instructor shall be determined qualified by the prelicensing education school for each course taught in the prelicensing curriculum.
- (c) The Commissioner shall deny, revoke, suspend, or terminate the approval of an instructor upon finding that:
- (1) The instructor fails to meet the criteria for approval provided by this Rule;
 - (2) The instructor has failed to comply with statutes or rules regarding prelicensing courses or schools;
 - (3) The instructor's employment has been terminated by any approved school on the grounds of incompetence or failure to comply with institutional policies and procedures;
 - (4) The instructor provided false information to the Commissioner;
 - (5) The instructor has at any time had an insurance license denied, suspended, revoked, or terminated, by the Commissioner or any other state insurance regulator, or has ever been required to return a license while under investigation;
 - (6) The instructor has obtained or used, or attempted to obtain or use, in any manner or form, examination questions; or
 - (7) The instructor's students have a first-time licensing examination performance record that is below the average examination performance record of all first-time examination candidates.
- (d) In all proceedings to deny, revoke, suspend, or terminate approval of an instructor, the provisions of Chapter 150B of the General Statutes shall be applicable.
- (e) When an instructor's approval is discontinued, the procedure for reinstatement shall be to apply as a new instructor, with a statement of reasons that he is now eligible for reconsideration. The Commissioner may require an investigation before new approval is granted.
- (f) Instructors shall meet the requirements in 11 NCAC 06A .0808.

History Note: Authority G.S. 58-2-40; 58-33-30(d); 58-33-132;
 Eff. February 1, 1989;
 Amended Eff. February 1, 2008; April 1, 1996; October 1, 1990;
 Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. June 25, 2016.

11 NCAC 06A .0706 PROCTORS

History Note: Authority G.S. 58-615(d);
 Eff. February 1, 1989;
 Repealed Eff. October 1, 1990.

SECTION .0800 - CONTINUING EDUCATION

11 NCAC 06A .0801 DEFINITIONS

As used in this Section:

- (1) "Biennial compliance period" means the 24-month period during which an agent or adjuster shall comply with continuing education requirements.

- (2) "Cluster of courses" means a number of courses, each of which is less than 100 minutes in length, but altogether 100 minutes or more in length, that are offered within one state or national program or convention.
- (3) "Compliance year" means the second year of the biennial compliance period.
- (4) "Continuing Education Administrator" or "Administrator" means the entity with which the Commissioner contracts for continuing education administration, including the approval of providers and courses and the retention of ICEC records for licensees.
- (5) "Course" means a continuing education course directly related to insurance principles and practices or a course designed and approved specifically for licensees; but does not mean a business course of a general nature or an insurance marketing or sales course. Courses shall be for instructional purposes only and not for promoting the interests of or recruiting employees for any particular insurance agency or company.
- (6) "Disinterested third party" means a person not concerned, with respect to possible gain or loss, in the result of a pending course final examination.
- (7) "Distance learning" means an educational program in which the licensee and the instructor are in different physical locations and interact with each other through various methods of telecommunication.
- (8) "Ethics course" means a continuing education course that deals with usage and customs among members of the insurance profession involving their moral and professional duties toward one another, toward clients, toward insureds, and toward insurers.
- (9) "Insurance continuing education credit" or "ICEC" means a value assigned to a course by the Commissioner after review and approval of a course information. This term means the same as "credit hour" as used in G.S. 58-33-130.
- (10) "Instructor" means an individual who teaches, lectures, leads, or otherwise instructs a course.
- (11) "Licensee" means a licensed adjuster, a licensed broker, or a licensed agent with any of the following lines of authority: property, casualty, personal lines, life, or accident and health or sickness.
- (12) "Long-Term Care Partnership Education" means a continuing education course related to long-term care insurance, long-term care services and qualified state long-term care insurance partnership programs which includes:
 - (a) State and federal regulations and requirements relating to long-term care partnership policies;
 - (b) the relationship between qualified state long-term care insurance partnership programs and other public and private coverage of long-term care services, including Medicaid;
 - (c) available long-term care services and providers;
 - (d) changes or improvements in long-term care services or providers;
 - (e) alternatives to the purchase of private long-term care insurance;
 - (f) the effect of inflation on long-term care partnership policy benefits and the importance of inflation protection; and
 - (g) consumer suitability standards and guidelines for long-term care partnership policies.
- (13) "Qualified Policy" has the same meaning as in G.S. 58-55-55(6) and includes a certificate issued under a group policy as specified in G.S. 58-55-60.
- (14) "Supervised examination" means a timed, closed book examination that is monitored and graded by a disinterested third party.
- (15) "Supervised individual study" means learning through the use of audio tapes, video tapes, computer programs, programmed learning courses, and other types of electronic media that are completed in the presence of an instructor.

History Note: Authority G.S. 58-2-40; 58-33-130; 58-55-55; 58-55-60; 58-55-65; 58-55-75;
 Temporary Adoption Eff. June 22, 1990, for a period of 180 days to expire on December 19, 1990;
 ARRC Objection Lodged July 19, 1990;
 Eff. December 1, 1990;
 Amended Eff. March 1, 2011; February 1, 2008; February 1, 1995; June 1, 1992;
 Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. June 25, 2016.

- (a) Each person holding a life, accident and health or sickness, property, casualty, personal lines, or adjuster license shall obtain 24 ICECs during each biennial compliance period. Each person holding one or more life, accident and health or sickness, property, casualty, personal lines, variable life and variable annuity products, or adjuster license shall complete an ethics course or courses within two years after January 1, 2008, and every biennial compliance period thereafter as defined in this Section. The course or courses shall comprise three ICECs.
- (b) Each person holding one or more property, personal lines, or adjuster license shall complete a continuing education course or courses on flood insurance and the National Flood Insurance Program, or any successor programs, within the first biennial compliance period after January 1, 2008, and every other biennial compliance period thereafter. The course or courses shall comprise three ICECs.
- (c) Each licensee shall, before the end of that licensee's biennial compliance year, furnish evidence as set forth in this Section that the continuing education requirements have been satisfied.
- (d) An instructor shall receive the maximum ICECs awarded to a student for the course.
- (e) Licensees shall not receive ICECs for the same course more often than one time in any biennial compliance period.
- (f) Licensees shall receive ICECs for a course only for the biennial compliance period in which the course is completed. Any course requiring an examination shall not be considered completed until the licensee passes the examination.
- (g) Licensees shall maintain records of all ICECs for five years after obtaining those ICECs, which records shall be available for inspection by the Commissioner.
- (h) Nonresident licensees who meet continuing education requirements in their home states shall be deemed to meet the continuing education requirements of this Section. Nonresident adjusters who qualify for licensure by passing the North Carolina adjuster examination pursuant to G.S. 58-33-30(h)(2)a. shall meet the same continuing education requirements as a resident adjuster, including mandatory flood and ethics courses. Nonresident adjusters who qualify for licensure by passing an adjuster examination in another state pursuant to G.S. 58-33-30(h)(2)b. and are in good standing in that state shall be credited with having met the same continuing education requirements as resident adjusters, including mandatory flood and ethics courses.
- (i) Only a licensed insurance producer who is unable to comply with continuing education requirements due to military service or long-term medical disability may request a waiver for continuing education requirements. A long-term medical disability shall be certified on an annual basis by the producer's attending physician. The Commissioner shall grant an exemption from Continuing Education requirements for up to one year if the producer submits the following:
- (1) deployment orders from the United States Department of Defense; or
 - (2) a notarized statement from a licensed physician stating the producer is unable to do the work he or she is licensed to do.
- (j) A producer who was granted an exemption from the requirements of this Section prior to October 1, 2010 continues to be exempt from continuing education requirements for as long as the producer certifies to the Commissioner that he or she:
- (1) is age 65 or older;
 - (2) has been continuously licensed in the line of insurance for at least 25 years; and
 - (3) either:
 - (A) holds a professional designation specified in 11 NCAC 06A .0803; or
 - (B) certifies to the Commissioner annually that the producer is an inactive agent who neither solicits applications for insurance nor takes part in the day to day operation of an insurance agency.
- (k) Courses completed before the issue date of a new license shall not meet the requirements of this Section for that new license.
- (l) No credit shall be given for courses taken before they have been approved by the Commissioner.
- (m) Each person with an even numbered birth year shall meet continuing education requirements in an even numbered compliance year. Each person with an odd numbered birth year shall meet continuing education requirements in an odd numbered compliance year. Each licensee shall complete 24 hours of continuing education by the last day of the licensee's birth month in the compliance year.
- (n) An existing licensee requiring continuing education means an individual who holds any of the following licenses on or before December 31, 2007: life and health, property and liability, personal lines, or adjuster. The licensee's birth year shall determine whether an individual must satisfy continuing education requirements in an even-numbered or odd-numbered year. (Example: 1960 is an even-numbered year; 1961 is an odd-numbered year.) The licensee's birth month shall determine the month that continuing education is due. (Example: An individual born in October shall complete 24 hours of continuing education by the end of October in the licensee's compliance year.) The number of ICECs required by this Rule shall be prorated based on one ICEC per month, up to 24 months. This conversion shall be completed within

four years. (Example: An individual with a birth date of February 16, 1960, shall have the following two compliance periods during the continuing education conversion: 1st – two ICECs by the end of February 2008; the 2nd – 24 ICECs by the end of February 2010. An individual with a birth date of April 4, 1957, shall have the following two compliance periods during the continuing education conversion: 1st – 16 ICECs by the end of April 2009; the 2nd – 24 ICECs by the end of April 2011.) The chart below reflects the number of hours an existing licensee requiring continuing education shall have during the four-year conversion.

Compliance Year	EXISTING LICENSEE MONTH OF BIRTH EVEN/ODD YEAR OF BIRTH																							
	JAN		FEB		MAR		APR		MAY		JUN		JUL		AUG		SEPT		OCT		NOV		DEC	
	even	odd	even	odd	even	odd	even	odd	even	odd	even	odd	even	odd	even	odd	even	odd	even	odd	even	odd	even	odd
2008	1		2		3		4		5		6		7		8		9		10		11		12	
2009		13		14		15		16		17		18		19		20		21		22		23		24
2010	24		24		24		24		24		24		24		24		24		24		24		24	
2011		24		24		24		24		24		24		24		24		24		24		24		24

(o) A new licensee requiring continuing education means an individual who is issued any of the following licenses on or after January 1, 2008: life, accident and health or sickness, property, casualty, personal lines or adjuster. The licensee's birth year shall determine whether an individual must satisfy continuing education requirements in an even-numbered or odd-numbered year. (Example: 1960 is an even-numbered year; 1961 is an odd-numbered year.) The licensee's birth month shall determine the month that continuing education is due. (Examples: An individual born in October shall complete 24 hours of continuing education by the end of October in the licensee's compliance year. An individual with a birth date of December 1, 1960, licensed in 2008, is required to meet 24 hours of continuing education by December 31, 2010. An individual with a birth date of October 1, 1957, licensed in 2008, shall complete 24 hours of continuing education by October 31, 2011.) The chart below shows the earliest deadline by which a new licensee shall be required to complete 24 hours of continuing education.

License Issue Year	NEW LICENSEE MONTH OF BIRTH EVEN/ODD YEAR OF BIRTH																							
	JAN		FEB		MAR		APR		MAY		JUN		JUL		AUG		SEPT		OCT		NOV		DEC	
	even	odd	even	odd	even	odd	even	odd	even	odd	even	odd	even	odd	even	odd	even	odd	even	odd	even	odd	even	odd
2008	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011
2009	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
2010	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013
2011	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013

(p) A member of a professional insurance association shall receive no more than four ICECs during the biennial compliance period based solely on membership in the association, if the professional insurance association:

- (1) is approved as a continuing education provider;

- (2) has been in existence for at least five years;
- (3) was formed for purposes other than providing continuing education;
- (4) has provided the Commissioner or the Administrator with the association's Articles of Incorporation on file with the N.C. Secretary of State;
- (5) certifies to the Commissioner or Administrator that the licensee's membership is active during the biennial compliance period;
- (6) _____ certifies to the Commissioner or Administrator that the licensee attended 50 percent of the regular meetings;
- (7) certifies to the Commissioner or Administrator that the licensee attended a statewide or intrastate regional educational meeting on an annual basis, where the regional meeting covered an area of at least 25 counties of the State;
- (8) certifies to the Commissioner or Administrator that the licensee attended a national meeting on an annual basis (i.e., National Convention, Legislative "Day on the Hill" in Washington, DC); and
- (9) pays one dollar (\$1.00) per ICEC to the Commissioner or Administrator.

History Note: Authority G.S. 58-2-40; 58-2-185; 58-2-195; 58-33-130; 58-33-133; Temporary Adoption Eff. June 22, 1990, for a period of 180 days to expire on December 19, 1990; ARRC Objection Lodged July 19, 1990; Eff. December 1, 1990; Temporary Amendment Eff. October 3, 1991 for a period of 180 days to expire on March 30, 1992; Amended Eff. June 1, 2011; October 1, 2010; February 1, 2008; January 1, 2007; February 1, 1995; August 1, 1994; February 1, 1994; January 1, 1993; Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. June 25, 2016; Amended Eff. November 1, 2017.

11 NCAC 06A .0803 COURSES SPECIFICALLY APPROVED

(a) Courses that are necessary to obtain the following nationally recognized designations are approved for 18 ICECs upon successful completion of the national examination for each part:

- (1) Accredited Advisor in Insurance (AAI);
- (2) Associate in Claims (AIC);
- (3) Associate in Loss Control Management (ALCM);
- (4) Associate in Risk Management (ARM);
- (5) Associate in Underwriting (AU);
- (6) Certified Employees Benefit Specialist (CEBS);
- (7) Chartered Financial Consultant (ChFC);
- (8) Chartered Life Underwriter (CLU);
- (9) Chartered Property and Casualty Underwriter (CPCU);
- (10) Fellow Life Management Institute (FLMI);
- (11) General Insurance (INS);
- (12) Life Underwriter Training Council Fellow, 26 week (LUTCF);
- (13) Certified Financial Planner (CFP).

(b) Courses that are necessary to obtain the following nationally recognized designations are approved for an amount of ICECs to be determined by the Commissioner under this Section.

- (1) Agency Management Training Course Graduate;
- (2) Certified Insurance Counselor (CIC);
- (3) Certified Insurance Service Representative (CISR);
- (4) Certified Professional Service Representative (CPSR);
- (5) Fraternal Insurance Counselor (FIC);
- (6) Health Insurance Associate (HIA);
- (7) Life Underwriter Training Council Fellow, 13 weeks (LUTCF);
- (8) Registered Health Underwriter (RHU).

(c) Courses that are taught by a college or university that is accredited by the Southern Association of Colleges and Schools or by an accreditation agency recognized by the U.S. Department of Education are approved for a number of ICECs to be determined by the Commissioner under this Section.

(d) Any course prepared by the Commissioner is approved as a component of each resident licensee's continuing education requirement for a number of ICECs to be determined by the Commissioner under this Section.

History Note: Authority G.S. 58-2-40; 58-33-130;
Temporary Adoption Eff. June 22, 1990, for a period of 180 days to expire on December 19, 1990;
ARRC Objection Lodged July 19, 1990;
Eff. December 1, 1990;
Amended Eff. January 1, 2007; February 1, 1995; June 1, 1992;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. June 25, 2016.

11 NCAC 06A .0804 CARRYOVER CREDIT

Only whole ICECs may be carried over from one biennial compliance period to the next biennial compliance period. There is no limit on the number of ICECs that can be carried over.

History Note: Authority G.S. 58-2-40; 58-33-130;
Temporary Adoption Eff. June 22, 1990, for a period of 180 days to expire on December 19, 1990;
ARRC Objection Lodged July 19, 1990;
Eff. December 1, 1990;
Temporary Amendment Eff. October 3, 1991 for a period of 180 days to expire on March 30, 1992;
Amended Eff. February 1, 2008; February 1, 1995; June 1, 1992; March 1, 1992;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. June 25, 2016.

11 NCAC 06A .0805 CALCULATION OF ICECS

The following standards are used to evaluate courses submitted for continuing education approval:

- (1) Programs requiring meeting or classroom attendance:
 - (a) Courses or clusters of courses of less than 50 minutes shall not be evaluated for continuing education ICECs.
 - (b) Courses shall not be approved for less than one ICEC.
 - (c) One ICEC shall be awarded for each 50 minutes of instruction unless the Commissioner assigns fewer ICECs based upon the evaluation of the submitted course materials. Courses shall only be approved for whole ICECs.
 - (d) Course providers shall monitor participants for attendance and attention.
- (2) Independent study programs:
 - (a) Independent study programs qualify for continuing education only when there is a supervised examination. No examination administered or graded by insurance company personnel for its own employees is considered to be administered by a disinterested third party. The examination supervisor shall submit to the provider a sworn affidavit that certifies the authenticity of the examination. The provider shall retain the affidavit and examination records.
 - (b) Each course shall be assigned ICECs, which shall be awarded upon the passing of the supervised examination.
- (3) Distance Learning Programs:
 - (a) Distance learning qualifies only when an instructor is available to respond to questions and to maintain attendance records.
 - (b) Any organization sponsoring a teleconference shall have an on-site instructor.
- (4) Internet programs qualify only when there is a secure examination required at the end of the licensee's study of the course material and when periodic security measures have been used throughout the course material before the final examination.
- (5) Webinar courses qualify only when there is a method of monitoring attendance, by way of a random question and answer segment throughout the course, or a monitor at each location. Examinations are not required in Webinar courses.

History Note: Authority G.S. 58-2-40; 58-33-130;
Temporary Adoption Eff. June 22, 1990, for a period of 180 days to expire on December 19, 1990;
ARRC Objection Lodged July 19, 1990;

Eff. December 1, 1990;
Amended Eff. February 1, 2008; April 1, 2003; February 1, 1995; June 1, 1992;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. June 25, 2016.

11 NCAC 06A .0806 ATTENDANCE

History Note: Authority G.S. 58-2-40; 58-33-130;
Temporary Adoption Eff. June 22, 1990, for a period of 180 days to expire on December 19, 1990;
ARRC Objection Lodged July 19, 1990;
Eff. December 1, 1990;
Amended Eff. January 1, 2007; February 1, 1995; June 1, 1992;
Repealed Eff. July 1, 2012.

11 NCAC 06A .0807 HARDSHIP

A licensee may request in writing an extension of time under G.S. 58-33-130(c) during or before the last month of the licensee's compliance year.

History Note: Authority G.S. 58-2-40; 58-33-130;
Temporary Adoption Eff. June 22, 1990, for a period of 180 days to expire on December 19, 1990;
ARRC Objection Lodged July 19, 1990;
Eff. December 1, 1990;
Amended Eff. February 1, 2008; January 1, 2007; June 1, 1992;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. June 25, 2016.

11 NCAC 06A .0808 INSTRUCTOR QUALIFICATION

- (a) Continuing education providers shall certify that continuing education instructors meet the qualification requirements, which are the same as those for instructors as provided in 11 NCAC 06A .0705(c), except that the Commissioner may approve instructors possessing specific areas of expertise to instruct courses comprising those areas of expertise.
- (b) Insurance company trainers as instructors shall be full time salaried employees of the insurance company sponsoring the course and shall have as part of their full time responsibilities the duty to provider insurance company training.
- (c) College and university instructors may be full time or adjunct faculty of the college or university, and shall be teaching a curriculum course in his or her field of expertise.
- (d) The Commissioner shall require applicants and current instructors to submit to a personal interview, provide a video or audio tape, a written history of courses taught or any other documentation that will verify the applicant's qualifications to instruct approved insurance courses.
- (e) Temporary instructor authority shall be given to each qualified applicant. The instructor authority shall become permanent after six months unless otherwise denied, suspended, terminated or revoked by the Commissioner.
- (f) As a condition to continued instructor qualification, providers shall insure that each instructor teaches one prelicensing or continuing education course each calendar year.

History Note: Authority G.S. 58-2-40; 58-33-130; 58-33-132;
Temporary Adoption Eff. June 22, 1990, for a period of 180 days to expire on December 19, 1990;
ARRC Objection Lodged July 19, 1990;
Eff. December 1, 1990;
Amended Eff. February 1, 2008; February 1, 1996;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. June 25, 2016.

11 NCAC 06A .0809 APPROVAL OF COURSES

(a) All providers of courses specifically approved under Rule .0803 of this Section shall pay the fee prescribed in G.S. 58-33-133(b) and shall provide to the Commissioner or Administrator copies of:

- (1) program catalogs;
- (2) course outlines; and
- (3) advertising literature.

(b) All providers of courses not specifically approved under Rule .0803 of this Section shall do the following:

- (1) Any individual, school, insurance company, insurance industry association, or other organization intending to provide classes, seminars, or other forms of instruction as approved courses shall:
 - (A) apply on forms provided by the Commissioner or Administrator, located on the N.C. Department of Insurance's website at http://www.ncdoi.com/ASD/CE_Providers_For_Insurance.aspx#Forms;
 - (B) pay the fee prescribed in G.S. 58-33-133(b);
 - (C) provide outlines of the subject matter to be covered; and
 - (D) provide copies of handouts to be distributed to course participants.
 - (2) All providers of supervised individual study programs shall file copies of:
 - (A) the study programs;
 - (B) the examination; and
 - (C) the Internet course security procedures.
- (c) The Commissioner shall determine the number of ICECs that have been assigned to the approved course in accordance with Rule .0805 of this Section.
- (d) If a course is not approved or disapproved by the Commissioner or his or her designee within 60 days after receipt of all required information, the course shall be deemed to be approved at the end of the 60-day period.
- (e) If a course approval application is denied by the Commissioner or his or her designee, a written explanation of the reason for denial shall be furnished to the provider.
- (f) Course approval applications shall include the following:
- (1) a statement indicating for whom the course is designed;
 - (2) the course objectives;
 - (3) the names and duties of all persons who will be affiliated in an official capacity with the course;
 - (4) the course provider's tuition and fee refund policy;
 - (5) an outline that shall include:
 - (A) a statement of whether there will be a written examination, a written report, or only a certification of attendance;
 - (B) the method of course presentation;
 - (C) a course content outline with instruction hours assigned to the major topics; and
 - (D) a schedule of dates, beginning and ending times, and places the course will be offered, along with the names of instructors for each course session, submitted at least 10 days before any subsequent course offerings.
 - (6) a copy of the course completion certificate;
 - (7) a course rating form;
 - (8) a course bibliography; and
 - (9) an electronic copy of the course content and course examination for Internet courses.
- (g) A provider may request that its materials be kept confidential if they are of a proprietary nature.
- (h) A provider shall not cancel a course unless the provider gives written notification to all students on the roster and to the Commissioner or Administrator at least five days before the date of the course. This Paragraph does not apply to the cancellation of a course or class because of inclement weather.
- (i) A provider shall submit course attendance records electronically to the Commissioner or Administrator within 15 business days after course completion.
- (j) An error on the licensee's record that is caused by the provider in submitting the course attendance records shall be resolved by the provider within 15 days after the discovery of the error by the provider.

History Note: Authority G.S. 58-2-40; 58-33-130; 58-33-132; 58-33-133;
 Temporary Adoption Eff. June 22, 1990, for a period of 180 days to expire on December 19, 1990;
 ARRC Objection Lodged July 19, 1990;
 Eff. December 1, 1990;
 Amended Eff. October 1, 2014; March 1, 2011; February 1, 2008; February 1, 1996; June 1, 1992;
 Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. June 25, 2016;
 Amended Eff. July 1, 2017; December 1, 2016.

11 NCAC 06A .0810 ADVERTISING

- (a) Courses shall not be advertised as approved for ICECs unless such approval has been granted by the Commissioner in writing.

- (b) When a course has been approved for ICECs and is advertised as such, the advertisement shall include:
 - (1) the provider name, assigned provider number, course(s) title(s), assigned course number course(s) date(s) and course location;
 - (2) the number of approved ICECs;
 - (3) the type of licensee for whom the course would be most applicable;
 - (4) all fees and associated expenses; and
 - (5) course rating.
- (c) Advertisements shall be complete, truthful, clear, and not deceptive or misleading.
- (d) The Commissioner may withdraw his approval of any violator to provide or conduct courses.

History Note: Authority G.S. 58-2-40; 58-33-130; 58-33-132; Temporary Adoption Eff. June 22, 1990, for a period of 180 days to expire on December 19, 1990; ARRC Objection Lodged July 19, 1990; Eff. December 1, 1990; Amended Eff. February 1, 1996; June 1, 1992; Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. June 25, 2016.

11 NCAC 06A .0811 SANCTIONS FOR NONCOMPLIANCE

- (a) If the license of any person lapses under G.S. 58-33-130(c), the license shall be reinstated when the person has completed the continuing education requirements and paid an administrative fee of seventy-five dollars (\$75.00) within four months after the end of the person's previous compliance year. If the person does not satisfy the requirements for licensure reinstatement within four months after the end of the person's previous compliance year, the person shall complete the appropriate prelicensing education requirement and pass the appropriate licensing examination, at which time the Commissioner shall reinstate the person's license.
- (b) The Commissioner may suspend, revoke, or refuse to renew a license for any of the following causes:
 - (1) Failing to respond to Department inquiries, including continuing education audit requests, within seven calendar days after the receipt of the inquiry or request.
 - (2) Requesting an extension or waiver under false pretenses.
 - (3) Refusing to cooperate with Department employees in an investigation or inquiry.
- (c) The Commissioner may suspend, revoke, or refuse to renew a course provider's, presenters, or instructor's authority to offer courses for any of the following causes:
 - (1) Advertising that a course is approved before the Commissioner has granted such approval in writing.
 - (2) Submitting a course outline with material inaccuracies, either in length, presentation time, or topic content.
 - (3) Presenting or using unapproved material in providing an approved course.
 - (4) Failing to conduct a course for the full time specified in the approval request submitted to the Commissioner.
 - (5) Preparing and distributing certificates of attendance or completion before the course has been approved.
 - (6) Issuing certificates of attendance or completion before the completion of the course.
 - (7) Failing to issue certificates of attendance or completion to any licensee who satisfactorily completes a course.
 - (8) Failing to notify the Commissioner in writing of suspected or known violations of the North Carolina General Statutes or Administrative Code within 30 days after suspecting or knowing about the violations.
 - (9) Violating the North Carolina General Statutes or Administrative Code.
 - (10) Failing to monitor attendance and attention of attendees.
 - (11) Preparing and distributing fraudulent certificates of attendance or completion.
 - (12) Failing to ensure that the licensee completes the course hours approved by the Commissioner.
- (d) Course providers and presenters are responsible for the activities of persons conducting, supervising, instructing, proctoring, monitoring, moderating, facilitating, or in any way responsible for the conduct of any of the activities associated with the course.
- (e) The Commissioner may require any one of the following upon a finding of a violation of this Section:
 - (1) Refunding all course tuition and fees to licensees.

- (2) Providing licensees with a course to replace the course that was found in violation.
 - (3) Withdrawal of approval of courses offered by the provider, presenter, or instructor.
- (f) Each year, the Commissioner shall verify each nonresident licensee's record through the NAIC Producer Data Base to ensure that the licensee has complied with the continuing education requirements in the licensee's home state. If the license lapses under G.S. 58-33-32, the Commissioner shall cancel the license.

History Note: Authority G.S. 58-2-40; 58-33-125(a); 58-33-130; 58-33-132; 58-33-133;
Temporary Adoption Eff. June 22, 1990, for a period of 180 days to expire on December 19, 1990;
ARRC Objection Lodged July 19, 1990;
Eff. December 1, 1990;
Amended Eff. October 1, 2010; February 1, 2008; January 1, 2007; June 1, 1992;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. June 25, 2016.

11 NCAC 06A .0812 SPECIAL CASES

- (a) In addition to the courses in 11 NCAC 06A .0803, the Commissioner shall prepare courses to address and remedy deficiencies in licensee professional performance or conduct detected by the Commissioner through analyses of consumer complaints or from Departmental audits or examinations of insurance companies, licensees, or insurance agencies or brokerages.
- (b) The Commissioner shall require an individual licensee to take and complete remedial or rehabilitative courses if the licensee has committed any of the acts or omissions specified in G.S. 58-33-46.
- (c) The Commissioner shall award 24 biennial continuing professional educational credit hours based on government service relative to insurance or finance, such as service as a legislator on a committee in the General Assembly that hears insurance and finance matters.

History Note: Authority G.S. 58-2-40; 58-33-46; 58-33-130; 58-33-130(a)(5);
Eff. August 1, 1995;
Amended Eff. October 1, 2010;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. June 25, 2016.

11 NCAC 06A .0813 ISSUANCE/CONTINUATION OF PROVIDER APPROVAL

- (a) Any individual or entity intending to provide classes, seminars, or other forms of instruction as approved courses shall submit:
- (1) an application prescribed by the Commissioner for provider approval; and
 - (2) a course approval application in accordance with Rule .0809 of this Section.
- (b) The Commissioner or the Administrator shall approve or deny the provider and course approval application.
- (c) Any provider approval that is denied shall be furnished a written explanation for the denial in accordance with Rule .0809(4) of this Section.
- (d) Any provider receiving a provider approval denial shall have 15 business days to respond to the denial.
- (e) As a condition to continued provider approval, providers shall conduct a minimum of one course within the State of North Carolina each calendar year.
- (f) Providers shall retain continuing education records for three years and shall provide these records upon request to the Commissioner or to the Administrator.

History Note: Authority G.S. 58-2-40; 58-33-130; 58-33-132;
Eff. February 1, 1996;
Amended Eff. February 1, 2008;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. June 25, 2016.

11 NCAC 06A .0814 AGENT EDUCATION ON LTCP POLICIES: COMPANY RESPONSIBILITY

- (a) Each licensee who holds an accident and health or sickness license, a Medicare/Supplement Long-Term Care limited lines license, and who sells, solicits or negotiates Long-term Care Partnership policies shall complete eight hours of continuing education in Long-Term Care Partnership as defined in 11 NCAC 06A .0801(12) within one year of March 7, 2011.

(b) Each licensee issued an accident and health or sickness license or a Medicare/Supplement Long-Term Care limited lines license after March 7, 2011 shall complete eight hours of continuing education in Long-Term Care Partnership as defined in 11 NCAC 06A .0801(12) prior to selling, soliciting or negotiating a Long-Term Care Partnership Policy.

(c) Each licensee who holds an accident and health or sickness license, a Medicare/Supplement Long-Term Care limited lines license, and who sells, solicits or negotiates Long-term Care Partnership policies shall complete four hours of continuing education in Long-Term Care Partnership every biennial compliance period thereafter as defined in this Section.

(d) Insurers who provide Long-Term Care Partnership insurance shall verify that their appointed agents who sell, solicit or negotiate Long-Term Care Partnership policies as defined in G.S. 58-55-55(6) and G.S. 58-55-60 meet the continuing education requirements prescribed by this Rule. Verification may be accomplished by obtaining and maintaining the continuing education certificate of completion or by obtaining and maintaining a copy of the continuing education transcript for each agent.

(e) Upon written request by the Commissioner the records obtained by the insurer to verify the agent has satisfied the continuing education requirements of this Rule shall be provided to the Commissioner within 30 calendar days.

History Note: Authority G.S. 58-2-40; 58-2-190; 58-33-130; 58-55-55; 58-55-60;

Eff. March 1, 2011;

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

SECTION .0900 – PUBLIC ADJUSTERS

11 NCAC 06A .0901

DEFINITIONS

11 NCAC 06A .0902

TRANSACTIONS WITH INSUREDS

11 NCAC 06A .0903

RELATIONSHIPS WITH THIRD PARTIES

11 NCAC 06A .0904

REGULATORY MATTERS

History Note: Authority G.S. 58-2-40; 58-33-10; 58-33-10(b); 58-33-25(a); 58-33-30; 58-33-70; 58-33-76; 58-63-15(2), 58-63-15(11);

Eff. April 1, 1996;

Amended Eff. February 1, 2006;

Repealed Eff. October 1, 2010.

11 NCAC 06A .0905

CATASTROPHIC DISASTERS

History Note: Authority G.S. 58-2-40; 58-33-46; 58-33-70; 58-33-120; 58-63-10; 58-63-15;

Eff. February 1, 2006;

Repealed Eff. October 1, 2010.

11 NCAC 06A .0906

FINGERPRINTS REQUIRED FOR CRIMINAL RECORD CHECKS

(a) An applicant for a resident public adjuster license shall furnish the Commissioner with a complete set of the applicant's fingerprints as authorized by G.S. 58-33A-15. An applicant for a public adjuster license includes:

- (1) An applicant for an initial resident public adjuster license;
- (2) A non-resident public adjuster applying for a resident public adjuster license;
- (3) A resident public adjuster license applicant applying for reinstatement of license that has been lapsed for more than one year;
- (4) A resident public adjuster license applicant whose license has been suspended or revoked for non-payment of child support pursuant to G.S. 110-142.1; or
- (5) An owner, partner, officer manager, or director of a business entity, or member or manager of a limited liability company applying for a resident public adjuster business entity license.

(b) As authorized by G.S. 58-33A-15, fingerprints shall be furnished in the following manner:

- (1) Each resident public adjuster license applicant who is required to submit fingerprints under G.S. 58-33A-15 shall have a complete set of their fingerprints electronically captured by a criminal law enforcement agency approved by State Bureau of Investigation (SBI) to submit fingerprints via electronic means;

- (2) Each resident public adjuster license applicant who is required to submit fingerprints under G.S. 58-33A-15 shall submit with the public adjuster license application the Electronic Fingerprint Submission Release of Information Form that has been completed and certified by a law enforcement officer that the applicant's fingerprints have been submitted via electronic means to the SBI;
- (3) Each resident public adjuster license applicant who is required to submit fingerprints under G.S. 58-33A-15 shall submit with the public adjuster license application the Authority For Release Of Information form required by the SBI to release the criminal history record check information to the Department;
- (4) Each resident public adjuster license applicant who is required to submit fingerprints under G.S. 58-33A-15 shall submit with the public adjuster license application the cost for the state and national criminal history record fee that is set forth pursuant to G.S. 114-19.1(a); and
- (5) All fingerprint impressions must be suitable for use by the SBI to conduct a state criminal history record check and for the Federal Bureau of Investigations (FBI) to conduct a national criminal history record check. If the SBI deems the electronic fingerprints are not suitable, the Commissioner shall notify and provide instructions to the applicant to resubmit his fingerprints in the manner set forth in Subparagraph (1) of this Paragraph within 30 days.

(c) The application of a resident public adjuster required to submit fingerprints is not be complete until the Department receives the state and national criminal history record information. In accordance with G.S. 58-33A-20(c), the Commissioner shall not issue the license of a public adjuster that does not satisfy the license application requirements.

History Note: Authority G.S. 58-2-40; 58-33A-15; 58-33A-20;
Eff. October 1, 2010.

SECTION .1000 - MOTOR VEHICLE DAMAGE APPRAISERS

11 NCAC 06A .1001 DEFINITIONS

As used in this Section, the following terms shall mean:

- (1) "Claimant" means as defined in 11 NCAC 04 .0425.
- (2) "Motor vehicle damage appraiser" means as defined in G.S. 58-33-10(14).

History Note: Authority G.S. 58-2-40;
Eff. April 1, 2020.

11 NCAC 06A .1002 ETHICAL STANDARDS

(a) Every licensed motor vehicle damage appraiser, when conducting business, shall:

- (1) identify himself or herself and his or her job title;
- (2) when requested, provide his or her National Producer Number, and the Department's website address and phone number for verification of license status;
- (3) prepare an independent appraisal of damages; and
- (4) comply with all local, State, and federal laws, in the motor vehicle damage appraiser's business affairs.

(b) Every licensed motor vehicle damage appraiser shall refrain from:

- (1) disparaging the professional reputation of a motor vehicle damage appraiser or other persons associated with the claim;
- (2) recommending the utilization of a particular motor vehicle repair service in violation of G.S. 58-33-76(a).
- (3) recommending a claimant needing repairs or other services in connection with a loss to any person with whom the motor vehicle damage appraiser has a financial interest or who provides the motor vehicle damage appraiser any compensation for the referral or any resulting business;
- (4) impeding the appraisal process or the settlement of a property damage claim;
- (5) receiving any gratuity or other consideration in violation of G.S. 58-33-76(b).
- (6) advising or recommending a claimant to obtain or not obtain legal advice or counsel from a particular legal counsel;
- (7) giving legal advice on property damage claims in violation of G.S. 84-4;
- (8) solicit a power of attorney from a consumer that authorizes the motor vehicle damage appraiser to sign insurance-related forms;

- (9) attempting to influence a magistrate in the selection of an umpire pursuant to G.S. 20-279.21(d1), including using influence through a client or claimant;
- (10) engaging in the salvage of automobiles if the salvage is obtained as a result of appraisal services rendered by the motor vehicle damage appraiser; and
- (11) act in any manner outside the scope of a motor vehicle damage appraiser, as set forth in Chapter 58, Article 33 of the General Statutes.

(c) Pursuant to G.S. 58-2-70 and G.S. 58-33-46, the Commissioner may consider the failure of a licensed motor vehicle damage appraiser to comply with this Rule as a basis for administrative action.

*History Note: Authority G.S. 58-2-40;
Eff, April 1, 2020.*