

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2021

FILED SENATE
Feb 11, 2021
S.B. 92
PRINCIPAL CLERK

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SENATE BILL DRS45074-NE-15

Short Title: Insurance Referral Fee Cap. (Public)

Sponsors: Senators Johnson, Burgin, and Corbin (Primary Sponsors).

Referred to:

A BILL TO BE ENTITLED
AN ACT PLACING A CAP ON INSURANCE REFERRAL FEES PAID TO NONLICENSED
PERSONS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 58-33-82 reads as rewritten:

"§ 58-33-82. Commissions.

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

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

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

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

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

(1) To a business entity by a person who is an owner, shareholder, member, partner, director, employee, or agent of that business entity.

(2) To a producer in connection with renewals of insurance business originally sold by or through the licensed person or for other deferred commissions.

(3) In connection with the indirect receipt of commissions in circumstances in which a license is not required under G.S. 58-33-26(n).

(f) With respect to a referral of insurance business to a licensed insurance agent or broker, a commission, fee, or other valuable consideration paid to an unlicensed person under subdivision (e) of this section shall not exceed fifty dollars (\$50.00) in value. In addition to any other penalties authorized by law, a violation of this subsection may be punishable by a fine of not more than two thousand dollars (\$2,000) for each violation."

SECTION 2. This act becomes effective October 1, 2021, and applies to any referral of insurance business made after that date.



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