

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 1989**

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SENATE BILL 1408

Short Title: Med Supp/LTC Agent Fees.

(Public)

Sponsors: Senator Johnson of Wake

Referred to: Insurance

May 29, 1990

A BILL TO BE ENTITLED

1
2 AN ACT TO PROVIDE SUPPLEMENTAL FEES, LICENSES, AND WRITTEN
3 EXAMINATIONS FOR AGENTS WHO SELL MEDICARE SUPPLEMENT OR
4 LONG-TERM CARE INSURANCE POLICIES; AND TO AMEND THE
5 MEDICARE SUPPLEMENT INSURANCE LAW IN ACCORDANCE WITH
6 RECENT CONGRESSIONAL ACTION.

7 The General Assembly of North Carolina enacts:

8 Section 1. G.S. 58-33-25(c) is amended by adding a new subdivision to read:

9 "(8) Medicare Supplement Insurance or Long-Term Care Insurance, or both
10 as a supplement to a license for the kinds of insurance listed in
11 subdivisions (1) and (2) of this subsection."

12 Sec. 2. G.S. 58-33-25 is amended by adding a new subsection to read:

13 "(d2) A life, accident, and health license authorizes an agent to sell Medicare
14 supplement or long-term care insurance policies as defined respectively in Articles 54
15 and 55 of this Chapter, or both, provided that the licensee takes and passes a
16 supplemental written examination for such insurance as provided in G.S. 58-33-30(e)
17 and pays the supplemental licensing fee as provided in G.S. 58-33-125."

18 Sec. 3. G.S. 58-33-30(e) reads as rewritten:

19 "(e) Examination.

20 (1) After completion and filing of the application with the Commissioner,
21 except as provided in G.S. 58-33-35, the Commissioner shall require
22 each applicant for license as an agent or an adjuster to take a written
23 examination as to his competence to be licensed. The applicant must
24 take and pass the examination according to requirements prescribed by
25 the Commissioner.

- 1 (2) The Commissioner may require any licensed agent, adjuster, or motor
2 vehicle damage appraiser to take and successfully pass an examination
3 in writing, testing his competence and qualifications as a condition to
4 the continuance or renewal of his license, if the licensee has been
5 found guilty of any violation of any provision of Articles 1 through 67
6 of this Chapter. If an individual fails to pass such an examination, the
7 Commissioner shall revoke all licenses issued in his name and no
8 license shall be issued until such individual has passed an examination
9 as provided in this Article.
- 10 (3) Each examination shall be as the Commissioner prescribes and shall be
11 of sufficient scope to test the applicant's knowledge of:
- 12 a. The terms and provisions of the policies or contracts of
13 insurance he proposes to effect; or
14 b. The types of claims or losses he proposes to adjust; and
15 c. The duties and responsibilities of such a license; and
16 d. The current laws of this State applicable to such a license.
- 17 (4) The answers of the applicant to any such examination shall be written
18 by the applicant under the Commissioner's supervision. The
19 Commissioner shall give examinations at such times and places within
20 this State as he deems necessary reasonably to serve the convenience
21 of both the Commissioner and applicants: Provided that the
22 Commissioner is authorized to contract directly with persons for the
23 processing of examination application forms and for the administration
24 and grading of the examinations required by this section; the
25 Commissioner is authorized to charge a reasonable fee in addition to
26 the registration fee charged under G.S. 58-33-125, to offset the cost of
27 the examination contract authorized by this subsection; and such
28 contracts shall not be subject to Article 3 of Chapter 143 of the
29 General Statutes.
- 30 (5) The Commissioner shall collect in advance the examination and
31 registration fees provided in G.S. 58-33-125 and in subsection (4) of
32 this section. The Commissioner shall make or cause to be made
33 available to all applicants, for a reasonable fee to offset the costs of
34 production, materials that he deems necessary for the applicants'
35 proper preparation for such exams. The Commissioner is empowered
36 to contract directly with publishers and other suppliers for the
37 production of such preparatory materials, and contracts so let by the
38 Commissioner shall not be subject to Article 3 of Chapter 143 of the
39 General Statutes.

40 In addition to the examinations for the kinds of insurance specified in G.S. 58-33-
41 25(c)(1) and (2), before any person may sell Medicare supplement or long-term care
42 insurance policies defined respectively in Articles 54 and 55 of this Chapter, he must
43 take and pass a supplemental written examination for such insurance according to
44 requirements prescribed by the Commissioner."

1 Sec. 4. G.S. 58-33-125(a) reads as rewritten:

2 **"§ 58-33-125. Fees.**

3 (a) The following table indicates the annual fees that are required for the
4 respective licenses issued under this Article and Article 21 of this Chapter:

5 Adjuster	\$50.00
6 Adjuster, crop hail only	10.00
7 Agent appointment cancellation (paid by insure	5.00
8 Agent appointment, individual	10.00
9 Agent appointment, nonindividual	25.00
10 <u>Agent appointment, medicare supplement</u>	
11 <u>or long-term care, individual</u>	<u>25.00</u>
12 <u>Agent appointment, medicare supplement</u>	
13 <u>or long-term care, nonindividual</u>	<u>50.00</u>
14 Agent, overseas military	10.00
15 Broker, nonresident	50.00
16 Broker, resident	25.00
17 Limited representative	10.00
18 Limited representative cancellation (paid by	
19 insurer) 5.00	
20 Motor vehicle damage appraiser	50.00
21 Surplus lines licensee, corporate	50.00
22 Surplus lines licensee, individual	50.00

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24 These fees are in lieu of any other license fees. Fees paid by an insurer on behalf of
25 a person who is licensed or appointed to represent the insurer shall be paid to the
26 Commissioner on a quarterly or monthly basis, in the discretion of the Commissioner."

27 Sec. 5. G.S. 58-33-125(c) reads as rewritten:

28 "(c) Any person not registered who is required by law or administrative rule to
29 secure a license shall, upon application for registration, pay to the Commissioner a fee
30 of ten dollars (\$10.00). In the event additional licensing for other kinds of insurance is
31 requested, a fee of ten dollars (\$10.00) shall be paid to the Commissioner upon
32 application for registration for each additional kind of insurance.

33 In addition to the fees prescribed by this subsection, any person applying for a
34 supplemental license to sell Medicare supplement or long-term care insurance policies
35 shall pay an additional fee of twenty-five dollars (\$25.00) upon application for
36 registration for those kinds of insurance. If the person is applying for a supplemental
37 license to sell both Medicare supplement and long-term care insurance policies, the fee
38 shall remain at twenty-five dollars (\$25.00)."

39 Sec. 6. G.S. 58-54-15 reads as rewritten:

40 **"§ 58-4-15. Minimum standards for benefits, marketing practices, compensation**
41 arrangements, reporting practices, and claims payments.

42 The Commissioner shall adopt rules, pursuant to G.S. 150B-3, to establish
43 minimum standards for benefits, marketing practices, compensation arrangements,
44 reporting practices, and claims payments under policies."

1 Sec. 7. G.S. 58-54-20(c) is repealed.

2 Sec. 8. Sections 1 through 5 of this act shall become effective January 1,
3 1991. Section 7 of this act shall become effective on the date rules relating to
4 compensation arrangements that are adopted under Section 6 of this act become
5 permanent. Section 6 and this section are effective upon ratification.