

## FAQs FOR BUSINESS ENTITY LICENSING

**Q. *Do I need a license for my agency?***

A. It depends on how your agency is organized.

North Carolina General Statute § 58-33-31(b) states that any business entity selling, soliciting, or negotiating insurance in this State must be licensed.

North Carolina General Statute § 58-33-10 (4) defines business entity as a corporation, partnership, limited liability company, limited liability partnership, association, or other legal entity. A sole proprietor is ***not*** a business entity according to the statute and cannot be licensed.

**Q. *What are the requirements for a resident business entity to obtain a license?***

A. Apply for a license electronically at [www.nipr.com](http://www.nipr.com) . The business entity must designate a designated licensed responsible producer on the application. The designated responsible licensed producer must already hold an active license in the State of North Carolina.

The business entity is responsible to comply with any NC Secretary of State requirements to operate in NC. Contact them at (919) 807-2225 or [www.sosnc.com](http://www.sosnc.com) for additional information.

**Q. *What are the requirements for a nonresident business entity to obtain a license?***

A. Apply for a license electronically at [www.nipr.com](http://www.nipr.com) . The business entity must designate a designated licensed responsible producer on the application. The designated responsible producer must already hold an active license in North Carolina.

The North Carolina Department of Insurance does not require that a nonresident business entity register with the NC Secretary of State to operate in NC.

**Q. *Does NCDOI require the business entity or agency to report all producers or agents affiliated with the agency?***

A. As of October 1, 2010, the NC Department of Insurance no longer required insurance business entities to report affiliated producers including additions and deletions. The administrative rule, 11 NCAC 06A .0413, requiring producer affiliations has been repealed.

The business entity should maintain a current list of affiliated agents and provide it to the Department upon request.

**Q. Which type of business entity (e.g., corporation, partnership, LLC) is best for me?**

A. Contact your attorney or business consultant for advice.

**Q. Can I use my doing business as (DBA) name?**

A. Yes. You must notify the Commissioner before using an assumed name (North Carolina General Statute § 58-33-83). The Department issues licenses under the legal name. Once the Department receives a DBA name request, it is added to the existing license record, but does not display on the license unless the legal name of the entity is changed.

**Q. I am a nonresident applicant from a state that does not require a resident business license. Can I get a nonresident business entity license in NC?**

A. Yes, but you must first obtain a resident business entity license in your home state.

**Q. What is a registered agent and how do I get one?**

A. A registered agent is a person or firm, situated in North Carolina who can accept service for your firm. Registered agents are required by the NC Secretary of State, not the Department of Insurance. Contact the Secretary of State's office at (919) 807-2225 or [www.sosnc.com](http://www.sosnc.com) for additional information.

**Q. What are common mistakes on the business entity application?**

A. Common mistakes include not providing the complete Federal tax identification number and not having a designated producer already licensed in the State of North Carolina.

**Q. When does the business entity license renew?**

A. Business entity licenses renew on April 1 of each year. An invoice is e-mailed to the business email address on the business entity license record. Electronic payment is required via [www.nipr.com](http://www.nipr.com)

**Q. My agency has several branches, do I need a license for each office.**

A. That depends on the organization of the business entity. If all branches use the same FEIN, then one license covers all branches. If each branch has its own FEIN, then a license is required for each branch.

**Q. *Can an insurance agent or agency accept insurance premium payments from insureds whose insurance company will not accept such payments by credit card?***

A. If an insured's insurance company will not accept premium payments by credit card in accordance with North Carolina General Statute § 58-33-145, an insurance agent or agency can still accept premium payments by credit card from those insureds. However, since North Carolina General Statute § 58-33-80 prohibits agents from making any discrimination in favor of any person, the insurance agency must offer this payment option to all existing and prospective insureds. In addition, the insurance agent or agency must either absorb the cost of providing this service to all insureds or charge all insureds a fee for this service. If the insurance agent or agency decides to charge a fee for the service, it must comply with the requirements of North Carolina General Statute § 58-33-85(b) by obtaining the insured's written consent to the fee and with the following requirements as outlined in 11 NCAC 4.0120:

(1) A sign that informs the applicant in large bold print that a policy or service fee of [amount] will be charged, shall be displayed in a prominent place so as to be seen and read from any part of the office lobby

(2) The applicant's consent in writing is obtained on a separate form each time a policy or service fee is charged. The form shall be entitled, "Policy or Service Fee Consent" and shall include the date and amount of each fee charged.

(3) A dated receipt for the payment of a policy or service fee shall be issued either separately from the policy premium receipt or stated separately on the receipt issued for the policy premium.

**Q. *Can an insurance agency accept premium payments by credit card from insureds whose insurance company will not accept payment by credit card and charge a fee for providing this service?***

A. An insurance agency can accept premium payment by credit card from insureds if meeting the conditions imposed by North Carolina General Statute § 58-33-145. A fee can be charged for this service as long as the agency obtains the insureds written consent for this fee per the requirements of North Carolina General Statute § 58-33-85(b) and the agency complies with all of the following fee requirements outlined in 11 NCAC 4.0120:

(1) A sign that informs the applicant in large bold print that a policy or service fee of [amount] will be charged, shall be displayed in a prominent place so as to be seen and read from any part of the office lobby

(2) The applicant's consent in writing is obtained on a separate form each time a policy or service fee is charged. The form shall be entitled, "Policy or Service Fee Consent" and shall include the date and amount of each fee charged.

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