

§ 58-33-82. Commissions.

(a) An insurance company, insurance producer, or limited representative 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 insurance producers who are duly licensed with appropriate company appointments, licensed limited lines producers, or licensed limited representatives may directly accept any commission, fee, or other valuable consideration for the sale, solicitation, or negotiation of insurance.

(d1) Insurance producers may indirectly accept any commission, fee, or other valuable consideration for business brokered through an insurance producer that is appropriately appointed.

(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 or limited representative, 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) No commission, fee, or other valuable consideration authorized under subsection (e) of this section for the referral of insurance business by an unlicensed individual to a licensed insurance agent or broker shall exceed fifty dollars (\$50.00) in value. A violation of this subsection may be punished by a fine not to exceed two thousand dollars (\$2,000) for each violation. This subsection shall not apply to title insurance. (2001-203, s. 23; 2004-199, s. 20(e); 2022-46, s. 13(a); 2024-11, s. 5.)