

Part 4. Penalties and Sanctions.

**§ 58-89A-155. Grounds for disciplinary action.**

(a) The Commissioner may take disciplinary action against a licensee or any person subject to licensure requirements under this Article on any of the following grounds:

- (1) Being convicted or having an officer or controlling person of the licensee convicted of:
  - a. Bribery, fraud, or intentional or material misrepresentation in obtaining or attempting to obtain a license;
  - b. A crime that relates to the operation of a professional employer organization or the ability of the licensee or any officer or controlling person of the licensee to operate a professional employer organization;
  - c. A crime that relates to the classification, misclassification, or underreporting of employees required by State law;
  - d. A crime that relates to the establishment or maintenance of a self-insurance program, whether health insurance, workers' compensation insurance, or other insurance;
  - e. A crime that relates to fraud, deceit, or misconduct in the operation of a professional employer service; or
  - f. A crime that involves dishonesty or breach of trust.
- (2) Engaging in professional employer services or offering to engage in the provision of professional employer services without a license.
- (3) Failure to provide notice in writing of the discontinuance and replacement, if any, of any insurance coverage, to the Commissioner and client company within 10 business days of the discontinuance of any insurance coverage pursuant to G.S. 58-89A-115.
- (4) Repealed by Session Laws 2013-413, s. 11.1(h), effective October 1, 2013.
- (5) Failure to satisfy any of the requirements for licensure in this Article.

(b) For purposes of this section, a conviction includes an adjudication of guilt, a plea of guilty, and a plea of nolo contendere. (2004-162, s. 1; 2013-413, s. 11.1(h).)