

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2021

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SENATE BILL DRS35096-NE-29

Short Title: Prohibit Contracted Insurance License Testing. (Public)

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

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT REMOVING THE ABILITY OF THE COMMISSIONER OF INSURANCE OF
3 NORTH CAROLINA TO USE OUTSIDE CONTRACTORS WITH RESPECT TO
4 INSURANCE LICENSING EXAMINATIONS.

5 The General Assembly of North Carolina enacts:

6 SECTION 1. G.S. 58-33-30 reads as rewritten:
7 "§ 58-33-30. License requirements.

8 ...

9 (e) Examination. –

10 ...

11 (4) The answers of the applicant to the examination shall be provided by the
12 applicant under the Commissioner's supervision. The Commissioner shall
13 give examinations at such times and places within this State as the
14 Commissioner considers necessary reasonably to serve the convenience of
15 both the Commissioner and applicants: ~~Provided that the Commissioner may~~
16 ~~contract directly with persons for the processing of examination application~~
17 ~~forms and for the administration and grading of the examinations required by~~
18 ~~this section; the Commissioner may charge a reasonable fee in addition to the~~
19 ~~registration fee charged under G.S. 58-33-125, to offset the cost of the~~
20 ~~examination contract authorized by this subsection; and such contracts shall~~
21 ~~not be subject to Article 3 of Chapter 143 of the General Statutes. However,~~
22 ~~the Commissioner shall: (i) submit all proposed agreements or contracts for~~
23 ~~supplies, materials, printing, equipment, and contractual services that exceed~~
24 ~~one million dollars (\$1,000,000) authorized by this subdivision to the~~
25 ~~Attorney General or the Attorney General's designee for review as provided~~
26 ~~in G.S. 114-8.3; and (ii) include in all contracts to be awarded by the~~
27 ~~Commissioner under this subdivision a standard clause which provides that~~
28 ~~the State Auditor and internal auditors of the Commissioner may audit the~~
29 ~~records of the contractor during and after the term of the contract to verify~~
30 ~~accounts and data affecting fees and performance. The Commissioner shall~~
31 ~~not award a cost plus percentage of cost contract for any purpose.~~
32 applicants.

33 (5) The Commissioner shall collect in advance the examination and registration
34 fees provided in ~~G.S. 58-33-125 and in subsection (4) of this section.~~
35 G.S. 58-33-125. The Commissioner shall make or cause to be made available
36 to all applicants, for a reasonable fee to offset the costs of production,
materials that he considers necessary for the applicants' proper preparation for



1 examinations. ~~The Commissioner may contract directly with publishers and~~
2 ~~other suppliers for the production of the preparatory materials, and contracts~~
3 ~~so let by the Commissioner shall not be subject to Article 3 of Chapter 143 of~~
4 ~~the General Statutes. However, the Commissioner shall: (i) submit all~~
5 ~~proposed contracts for supplies, materials, printing, equipment, and~~
6 ~~contractual services that exceed one million dollars (\$1,000,000) authorized~~
7 ~~by this subdivision to the Attorney General or the Attorney General's designee~~
8 ~~for review as provided in G.S. 114-8.3; and (ii) include in all contracts to be~~
9 ~~awarded by the Commissioner under this subdivision a standard clause which~~
10 ~~provides that the State Auditor and internal auditors of the Commissioner may~~
11 ~~audit the records of the contractor during and after the term of the contract to~~
12 ~~verify accounts and data affecting fees and performance. The Commissioner~~
13 ~~shall not award a cost plus percentage of cost contract for any purpose.~~

14"

15 **SECTION 2.** G.S. 58-71-70 reads as rewritten:

16 **"§ 58-71-70. Examination; fees.**

17 Each applicant for a license as a professional bondsman, surety bondsman, or runner shall
18 appear in person and take an examination prepared by the Commissioner testing the applicant's
19 ability and qualifications. Each applicant is eligible for examination 30 days after the date the
20 application is received by the Commissioner. If an applicant is unable to complete the
21 examination requirement within 30 days after notification from the Commissioner of the
22 applicant's eligibility to take the examination, the applicant shall again be subject to the criminal
23 history record check prescribed by G.S. 58-71-50(a) so that current information is available for
24 review with the application. Each examination shall be held at a time and place as designated by
25 the Commissioner. Each applicant shall be given notice of the designated time and place no
26 sooner than 15 days before the examination. ~~The Commissioner may contract with a person to~~
27 ~~process applications for the examination and administer and grade the examination in the same~~
28 ~~manner as for agent examinations under Article 33 of this Chapter.~~

29 The fee for each examination is twenty-five dollars (\$25.00) plus an amount that offsets the
30 cost of any contract for examination services. This examination fee is nonrefundable.

31 An applicant who fails an examination may take a subsequent examination, but at least one
32 year must intervene between examinations."

33 **SECTION 3.** G.S. 58-82A-30 reads as rewritten:

34 **"§ 58-82A-30. Examination fees.**

35 (a) Each applicant for a license as a pyrotechnic display operator, a proximate audience
36 display operator, or assistant display operator shall take a written examination approved by the
37 Commissioner. ~~The Commissioner may contract with a person to process, administer, and grade~~
38 ~~the examination in the same manner as for agent examinations under Article 33 of this Chapter.~~
39 ~~The Commissioner may charge a fee to offset the costs of the contract for examination services.~~

40"

41 **SECTION 4.** This act becomes effective October 1, 2021.