

## 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. For residents, complete Form NC-CP and attach the Articles of Incorporation/Organization and \$100 application fee. The Articles of Incorporation/Organization submitted with the business entity license to the NC Department of Insurance must be a copy stamped by the NC Secretary of State.

The business entity must designate a licensed producer on the application. The designated responsible producer must already hold an active license in the State of North Carolina.

If the business name does not include the word “insurance” in the name, then submit on corporate letterhead the statement, “This business sells insurance.”

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

A. For nonresidents, complete Form NC-CP and attach the Certificate of Authority from the NC Secretary of State, home state letter of certification for the agency, and \$100 application fee.

Nonresidents may use the Uniform Application available at [www.licenseregistry.com](http://www.licenseregistry.com) but may not submit an on-line application. Those using the Uniform Application must attach the Certificate of Authority from the NC Secretary of State and \$100 application fee.

The Certificate of Authority submitted with the business entity license to the NC Department of Insurance must be a copy stamped by the NC Secretary of State.

The business entity must designate a licensed producer on the application. The designated responsible producer must already hold an active license in the State of North Carolina (either resident or nonresident).

**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. *I am a resident applicant and have lost my Articles of Incorporation/Organization. What do I do?***

A. If your Articles of Incorporation/Organization are available to be viewed from the NC Secretary of State website ([www.sosnc.com](http://www.sosnc.com)), then you may submit your application without attaching them. If your Articles of Incorporation/Organization are not available from the Secretary of State, then contact your attorney or business consultant for a copy.

**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 Certificate of Authority?***

A. A Certificate of Authority is issued by the North Carolina Secretary of State. It allows nonresident businesses of any kind to conduct business in NC. A Certificate of Authority is a **prerequisite** for obtaining **both a resident** and nonresident insurance business entity license. The fees and application process are handled by the NC Secretary of State. Contact them at (919) 807-2225 or [www.sosnc.com](http://www.sosnc.com). This statement is not correct. Certificates of Authority are required only for nonresident applicants.

The Certificate of Authority submitted with the business entity license to the NC Department of Insurance must be stamped by the NC Secretary of State.

**Q. *How many pages is a Certificate of Authority?***

A. A Certificate of Authority consists of the Certificate signed by the NC Secretary of State and the two-page Application for Certificate of Authority. Any questions regarding this document, the fees, and the Application for Certificate of Authority are handled by the NC Secretary of State. Contact them at (919) 807-2225 or [www.sosnc.com](http://www.sosnc.com).

**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 them 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, not having a designated producer already licensed in the State of North Carolina, and (for nonresidents) not attaching a Certificate of Authority.

**Q. *When does the agency license renew?***

- A. Agency licenses renew on April 1 of each year. An invoice is mailed to the agency address.

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

- A. Depends on the organization. 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. *How do I register the DBA for my business entity?***

- A. State law dictates that most types of businesses file with the Register of Deeds in the county where they will operate. The document that puts on record a business name of an individual, partnership, or corporation other than the real name of the owner(s) is referred to as Doing Business As, DBA, or Assumed Name. [N.C.G.S § 66-68](#) requires that before any person or partnership engages in business in any county in this State under an assumed name or under any designation, name or style other than the real name of the owner or owners thereof, before any limited partnership engages in business in any county in this State other than under the name set out in the Certificate filed with the Office of the North Carolina Department of the Secretary of State or before a corporation engages in business in any county other than under its corporate name, such person, partnership, limited partnership, or corporation must file in the office of the Register of Deeds of such county a certificate giving the following information:

- The name under which the business is to be conducted.
- The name and address of the owner, or if there is more than one owner, the name and address of each.

The Register of Deeds handles filings for sole proprietorships, partnerships, corporations (doing business under an assumed name), and limited liability companies (LLCs) doing business under an assumed name.

**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 N.C.G.S. Section 58-33-145, an insurance agent or agency can still accept premium payments by credit card from those insureds.

However, since N.C.G.S. Section 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 N.C.G.S. Section 58-33-85(b) by obtaining the insured's written consent to the fee and with the following requirements outlined in 11 NCAC 4.0120:

***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 G.S. 58-3-145, and can charge a fee for this service as long as the agency obtains the insureds written consent for this fee per the requirements of North Carolina G.S. 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.

(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.