

§ 58-21-16. Streamlined application for commercial purchasers.

(a) A surplus lines licensee seeking to procure or place nonadmitted insurance in this State for an exempt commercial purchaser shall not be required to satisfy any requirement under G.S. 58-21-15 to make a due diligence search to determine whether the full amount or type of insurance sought by such exempt commercial purchaser can be obtained from admitted insurers if all of the following apply:

- (1) The licensee procuring or placing the surplus lines insurance has disclosed to the exempt commercial purchaser that such insurance may or may not be available from the admitted market that may provide greater protection with more regulatory oversight.
- (2) The exempt commercial purchaser has subsequently requested in writing the licensee to procure or place such insurance from a nonadmitted domestic surplus lines insurer or a nonadmitted insurer.

(b) As used in this section, the following definitions apply:

(1) "Exempt commercial purchaser" means any person purchasing commercial insurance that, at the time of placement, meets all of the following requirements:

- a. The person employs or retains a qualified risk manager to negotiate insurance coverage.
- b. The person has paid aggregate nationwide commercial property and casualty insurance premiums in excess of one hundred thousand dollars (\$100,000) in the immediately preceding 12 months.
- c. The person meets at least one of the following criteria:
 1. The person possesses a net worth in excess of twenty million dollars (\$20,000,000), as such amount is adjusted pursuant to subsection (c) of this section.
 2. The person generates annual revenues in excess of fifty million dollars (\$50,000,000), as such amount is adjusted pursuant to subsection (c) of this section.
 3. The person employs more than 500 full-time or full-time equivalent employees per individual insured or is a member of an affiliated group employing more than 1,000 employees in the aggregate.
 4. The person is a not-for-profit organization or public entity generating annual budgeted expenditures of at least thirty million dollars (\$30,000,000), as such amount is adjusted pursuant to subsection (c) of this section.
 5. The person is a municipality with a population in excess of 50,000 persons.

(2) "Qualified risk manager" means, with respect to a policyholder of commercial insurance, a person who meets all of the following requirements:

- a. Is an employee of, or third-party consultant retained by, the commercial policyholder.
- b. Provides skilled services in loss prevention, loss reduction, or risk and insurance coverage analysis, and purchase of insurance.
- c. Has one of the following:
 1. A bachelor's degree or higher from an accredited college or university in risk management, business administration, finance, economics, or any other field determined by the

Commissioner to demonstrate minimum competence in risk management and one of the following:

- I. Three years of experience in risk financing, claims, administration, loss prevention, risk and insurance analysis, or purchasing commercial lines of insurance.
- II. One of the following designations:
 - A. Chartered Property and Casualty Underwriter (CPCU) issued by the American Institute for CPCU/Insurance Institute of America.
 - B. Associate in Risk Management (ARM) issued by the American Institute for CPCU/Insurance Institute of America.
 - C. Certified Risk Manager (CRM) issued by the National Alliance for Insurance Education & Research.
 - D. RIMS Fellow (RF) issued by the Global Risk Management Institute.
 - E. A designation, certification, or license determined by the Commissioner to demonstrate minimum competency in risk management.
2. Seven years of experience in risk financing, claims administration, loss prevention, risk and insurance coverage analysis, or purchasing commercial lines of insurance; and has any one of the designations specified in sub-sub-sub-sub-subdivisions A. through E. of sub-sub-sub-subdivision II. of this sub-subdivision.
3. Ten years of experience in risk financing, claims administration, loss prevention, risk and insurance coverage analysis, or purchasing commercial lines of insurance.
4. A graduate degree from an accredited college or university in risk management, business administration, finance, economics, or any other field determined by the Commissioner to demonstrate minimum competence in risk management.

(c) Effective on the fifth January 1 occurring after the date of the enactment of this section [July 21, 2011] and each fifth January 1 occurring thereafter, the dollar amounts in sub-sub-subdivisions (b)(1)c.1., 2., 3., and 4. of this section shall be adjusted to reflect the percentage change for such five-year period in the Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics of the U.S. Department of Labor. (2011-120, s. 5; 2018-120, s. 2.1(d).)