

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025

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SENATE BILL DRS45132-NE-66

Short Title: Insurance Producers/Exchange of Business. (Public)

Sponsors: Senators Corbin and Johnson (Primary Sponsors).

Referred to:

A BILL TO BE ENTITLED
AN ACT CLARIFYING THE LAWS RELATING TO THE EXCHANGE OF BUSINESS
BETWEEN INSURANCE PRODUCERS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 58-33-10 reads as rewritten:
"§ 58-33-10. Definitions.

As used in this Article, the following definitions apply:

...

(4a) "Exchange business," "exchange of business," or "proper exchange of business" means the forwarding of insurance business from one producer duly licensed for the line of insurance being forwarded to another producer duly licensed for that line of insurance where both producers are appointed with an insurer that can accommodate the risk under conditions favorable to the insured.

(4a)(4b) "FINRA" means the Financial Industry Regulatory Authority or any successor entity.

...."

SECTION 2. G.S. 58-33-82 reads as rewritten:
"§ 58-33-82. Commissions.

...

(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:

...

(4) To an agency principal who is an owner, shareholder, member, partner, director, employee, or agent of that agency for business placed by a producer on behalf of that agency who is duly licensed and appointed as required by this section.

(5) In connection with the exchange of business where both producers are duly licensed with appropriate company appointments and have complied with all of the requirements of G.S. 58-33-82.1.

...."

SECTION 3. Article 33 of Chapter 58 of the General Statutes is amended by adding a new section to read:

"§ 58-33-82.1. Exchange of business.

(a) Producers may exchange business, and split the commission involved with that business, if the producer forwarding the business and the producer receiving the business both:



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- 1 (1) Are licensed in all lines of insurance involved in the exchange.
- 2 (2) Sign the insurer's insurance application or are otherwise disclosed to the
- 3 insurer and the consumer.
- 4 (3) Have a good-faith belief that the exchange of business complies with the
- 5 requirements of this Article.
- 6 (b) This section does not limit:
- 7 (1) The exchange of business among specialty lines, nonstandard and professional
- 8 liability business placed through a surplus lines producer or written on an
- 9 excess rate or other individually rated risk basis.
- 10 (2) The exchange of business in connection with risk sharing plans."
- 11 **SECTION 4.** This act is effective when it becomes law and applies to contracts
- 12 entered into or renewed on or after that date.