

BUSINESS ENTITY LICENSING

Frequently Asked Questions

1. Do I need a license for my agency?

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.

2. What are the requirements for a resident business entity to obtain a license?

For residents, complete Form NC-CP, 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. *If this information is available for review on the NC Secretary of State website, then you do NOT need to include it with your application.

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.”

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

For nonresidents, complete Form NC-CP, attach the Certificate of Authority from the NC Secretary of State and \$100 application fee.

Nonresidents may use the Uniform Application available at www.nipr.com or may 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. *If this information is available for review on the NC Secretary of State website, then you do NOT need to include it with your application.

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).

4. Which type of business entity (e.g., corporation, partnership, LLC) is best for me?

Contact your attorney or business consultant for advice.

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

If your Articles of Incorporation/Organization are available for review on the NC Secretary of State website (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.

6. 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?

Yes, but you must first obtain a resident business entity license in your home state.

7. What is a Certificate of Authority?

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 a 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.

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. If this information is available for review on the NC Secretary of State website, then you do NOT need to include it with your application.

8. How many pages is a Certificate of Authority?

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.

9. What is a registered agent and how do I get one?

A registered agent is a person or firm situated in North Carolina who can accept service for your agency. 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 for additional information.

10. What are common mistakes on the business entity application?

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 obtaining a Certificate of Authority.

11. When does the agency license renew?

Agency licenses renew on April 1 of each year. An invoice is mailed to the agency address with payment instructions.

12. My agency has several branches, do I need a license for each office?

This will depend 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.