



DEPARTMENT OF INSURANCE

State of North Carolina

1201 MAIL SERVICE CENTER
RALEIGH, NC 27699-1201

JIM LONG
COMMISSIONER OF INSURANCE

(919) 733-3058

April 26, 2006

VIA FAX AND U.S. MAIL

North Carolina Association of Insurance Agents, Inc.
P.O. Box 1165
101 Weston Oaks Court
Cary, NC 27512

Re: Agent of Record for the State of North Carolina

To Whom It May Concern:

This letter is to advise any interested parties that the *North Carolina Association of Insurance Agents* (hereinafter, NCAIA) is recognized as **Agent of Record** and has authority to quote, secure, and bind policies of property, liability, casualty, accident and health insurance for the State of North Carolina and its related agencies. This authority includes - but is certainly not limited to - athletic accident and student health insurance.

Moreover, this letter is neither new nor a change from long-standing authority held by NCAIA - authority which has its origins by statute in 1951. See N.C. Gen. Stat. § 58-31-55. In fact, this letter merely re-states and incorporates by reference that statute and those letters dated January 30, 1989 and January 18, 1991, signed by then-Senior Deputy Commissioner Dascheil Propes of the North Carolina Department of Insurance.

As a reminder, the NCAIA may serve only the State and, therefore, may neither market nor procure insurance for private parties. Conversely, based upon these statutory delegations, the State and its related agencies are prohibited from obtaining any of its insurance needs directly from an insurance company without placing the requirement through the Department of Insurance Risk Management Division, unless otherwise specifically authorized by statute.

This authority shall remain in effect until formally changed in writing by either the Commissioner of Insurance or his lawful designee.

With kindest regards, I am

Very truly yours,

Handwritten signature of Jim Long in cursive script.
JIM LONG
North Carolina Commissioner of Insurance

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Title 11 of the N.C. Administrative Code, Chapter 7:

CHAPTER 7

STATE PROPERTY FIRE INSURANCE FUND DIVISION

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SECTION .0300 - STATE PROPERTY FIRE INSURANCE FUND

.0301 STATE PROPERTY FIRE INSURANCE FUND: PURPOSE AND FUNDING (REPEALED)

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.0306 INSPECTION OF STATE-OWNED BUILDINGS

CHAPTER 7 - STATE PROPERTY FIRE INSURANCE FUND DIVISION

SECTION .0100 - GENERAL PROVISIONS

.0101 DEFINITIONS

The following definitions shall apply for this division:

(1)"Agent of Record" shall mean that insurance agent or agents authorized to represent the North Carolina Department of Insurance in procurement of insurance for North Carolina agencies.

(2)"Self-liquidating buildings" shall mean buildings using their own revenues to retire their obligations.

(3)"Special Fund Agencies" shall mean departments or agencies that receive their operating revenue from sources other than the general fund.

History Note: Statutory Authority G.S. 58-9; 58-191;

Eff. February 1, 1976;

Readopted Eff. May 12, 1978;

Amended Eff. October 1, 1988.

.0102 PURPOSE OF DIVISION

.0103 DEPUTY COMMISSIONER

.0104 DIVISION PERSONNEL

History Note: Statutory Authority G.S. 58-7.3; 58-9; 58-189 through 58-194;

Eff. February 1, 1976;

Readopted Eff. May 12, 1978;
Repealed Eff. July 1, 1988.

.0105 BILLING

A charge will be made by the State Property Fire Insurance Fund for fire coverage provided to special fund agencies, self-liquidating buildings, special fund buildings, and buildings utilizing funds from revenue-producing endeavors connected therewith, for operation or maintenance. Rates for said coverages shall be fixed by the Commissioner of Insurance.

Charges will be levied to agencies for requested extended coverage, sprinkler leakage, business interruption, or other property insurance. All checks must be made payable to the North Carolina Department of Insurance. Rates for said coverages shall be fixed by the Commissioner of Insurance.

History Note: Statutory Authority G.S. 58-9; 58-190; 58-191.1; 58-191.2; S.L. 1975, Ch. 875;
Eff. February 1, 1976;
Readopted Eff. May 12, 1978;
Amended Eff. October 1, 1988.

.0106 REPORT AND PROOF OF LOSS FORM

All forms for submission of loss claims and other forms necessary for daily operation of the division in fulfilling its purpose shall be supplied by the division. The form entitled "Report and Proof of Loss Form" shall require the claimant to provide information including, but not limited to, the name of the department or agency, division, building name, location, date of loss, description of loss, amount requested to repair building and supporting information to aid the division in making a recommendation for amount of payment to the Council of State.

History Note: Statutory Authority G.S. S.L. 1975, Ch. 875;
Eff. February 1, 1976;
Readopted Eff. May 12, 1978.

SECTION .0200 - PLAN APPROVAL FOR STATE BUILDINGS

.0201 PLAN REVIEW

All plans and specifications for new state-owned buildings and renovations and additions to existing buildings shall be submitted to the State Property Fire Insurance Fund Division. The division shall determine whether the plans and specifications are in compliance with the minimum requirements of the North Carolina Building Code and Standard Fire Codes. In addition, greater than minimum requirements may be required in order to better assure protection for buildings and safety of occupants, as well as to meet underwriting standards for insurability. The Division shall inform the designer of code violations and deficiencies and any corrections that may be necessary. Upon final approval of the plans and specifications by the division, letters of approval shall be sent to the designer and to the Office of State Construction in the Department of Administration.

History Note: Statutory Authority G.S. 58-193;
Eff. February 1, 1976;
Readopted Eff. May 12, 1978;
Amended Eff. October 1, 1988.

.0202 SUBMISSION OF PLANS

.0203 CORRECTION OF PLANS

History Note: Statutory Authority G.S. 58-193;

Eff. February 1, 1976;
Readopted Eff. May 12, 1978;
Repealed Eff. October 1, 1988.

SECTION .0300 - STATE PROPERTY FIRE INSURANCE FUND

.0301 STATE PROPERTY FIRE INSURANCE FUND: PURPOSE AND FUNDING

.0302 REINSURANCE

History Note: Statutory Authority G.S. 58-189 to 58-191.2; S.L. 1975, Ch. 875;

Eff. February 1, 1976;
Readopted Eff. May 12, 1978;
Repealed Eff. October 1, 1988.

.0303 LOSS ADJUSTMENT

The staff of the state property division shall investigate all losses reported to the department. The Commissioner of Insurance shall make recommendations to the Governor and Council of State for any loss.

The claimant shall submit a "Report and Proof of Loss Form" in accordance with division procedures. Said form must be signed by an authorized representative of the agency and include data in support of the claim.

History Note: Statutory Authority G.S. 58-191; 58-191.1; 58-191.2;

Eff. February 1, 1976;
Readopted Eff. May 12, 1978;
Amended Eff. October 1, 1988.

.0304 INSURANCE PLACEMENT OTHER THAN UNDER THE FUND

Insurance coverage which is requested by agencies, but which is not available under the State Property Fire Insurance Fund, is placed by the division through the Agent of Record. The Agent of Record shall acquire coverage from companies authorized to do business in North Carolina.

History Note: Statutory Authority G.S. 58-194; 58-194.1; S.L. 1975, Ch. 875;

Eff. February 1, 1976;
Readopted Eff. May 12, 1978;
Amended Eff. October 1, 1988.

.0305 REVALUATION OF PROPERTY

In the revaluation of property, the division shall use recognized standards and methods for computing replacement costs of real and personal property. Such methods may include, but are not limited to, factors of inflation and current construction indices.

History Note: Statutory Authority G.S. 58-191; 58-191.1; 58-191.2;

Eff. February 1, 1976;
Readopted Eff. May 12, 1978;
Amended Eff. October 1, 1988.

.0306 INSPECTION OF STATE-OWNED BUILDINGS

To insure the safety of the buildings and occupants therein, on-site inspections of state-owned buildings are made as required by statute to determine property conditions.

Upon completion of its inspection and evaluation of fire and other safety hazards, the division will report, verbally or in writing or both to the authority in charge of the agency, institution or department. Said authority is responsible for correction of any deficiencies which may have been found by the division in accordance with the applicable General Statutes.

History Note: Statutory Authority G.S. 58-193;
Eff. February 1, 1976;
Readopted Eff. May 12, 1978;
Amended Eff. October 1, 1988.