

**Bulletin No. 15 (Revised)**

**EXECUTION OF RECIPROCAL OR INTER-INSURANCE  
CONTRACTS**

November 5, 1973

This will supersede original Bulletin No. 15 dated July 31, 1973 and is to provide an official interpretation of existing law regulating the execution of insurance contracts by reciprocal or inter-insurance exchanges in this State. The need for such advice arises from the practice of issuing master policies by such insurers, with certificates of insurance provided under such master policies being issued by unauthorized persons.

Reciprocal or inter-insurance contracts may be executed by an attorney-in-fact, agent, or other representative duly authorized and acting for the subscribers at an authorized reciprocal or inter-insurance exchange, as provided by Section 26-16-02 of the North Dakota Century Code. This is the only authority for issuance or execution of contracts authorized by Chapter 26-16 of the North Dakota Century Code.

The attorney-in-fact of a reciprocal insurer may appoint agents, but such agents must be licensed as provided in Section 26-16-11. The attorney and all other representatives of the reciprocal insurer issuing insurance contracts must be duly authorized and acting for the subscribers at the reciprocal or inter-insurance exchange, all as provided in Chapter 26-16.

Reciprocal or inter-insurance contracts include policies, certificates and all agreements to insure, and no such contracts shall be issued or executed by unauthorized persons; i.e., insurance contracts must be effected by or through licensed agents or the duly authorized attorney, representative or salaried employee of the insurer. This is provided by Chapter 26-16 and applicable provisions of Chapter 26-17. Penalties are provided by Section 26-16-14.

This Advisory Bulletin defines the law as interpreted by this Department and it is effective November 5, 1973.

J. O. WIGEN  
Commissioner of Insurance