



State of North Dakota  
Office of the Commissioner of Insurance

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BULLETIN 83-3

TO : ALL COMPANIES WRITING CROP-HAIL INSURANCE  
IN NORTH DAKOTA AND CROP-HAIL AGENTS

FROM: J. O. WIGEN, COMMISSIONER OF INSURANCE *J. O. Wigen*

RE : CROP-HAIL GUIDELINES

DATE: JANUARY 21, 1983

The following guidelines are hereby adopted as being in the best interest of North Dakota insureds and the crop-hail insurance companies doing business in North Dakota, and the following guidelines supercede and replace any and all existing bulletins relating to crop-hail insurance.

1. All new business written after the date of this bulletin shall have a maximum term of one year at the annual rates in effect on the date the application is accepted.
2. Coverage shall not be written effective any earlier than 12:01 a.m. of the calendar day after acceptance of the completed application for insurance by the agent on behalf of the insurer.
3. A cash discount of not to exceed 5% of the total premium may be granted to policyholders who pay the entire premium as of the date of the application for insurance. This discount shall only be payable directly to the insured. All applications for policies which provide a cash discount must set out on the face of the application an explanation of the discount and a statement that the discount is payable only to the policyholder.
4. All varieties of a given crop shall be written at the same rate.

(OVER)

5. Any company desiring not to file its own rate information must utilize either Crop-Hail Insurance Actuarial Association (CHIAA) or Hail Information Services, Inc. (HIS).

6. There shall be no "guaranteed dividends" provided with regard to any policy of crop-hail insurance. Only insurance companies or insurers may pay dividends and they shall be paid directly to the policyholder. A dividend shall not be used as a credit against the next year's premium.

The department has been informed that there have been potential violations of the statutory prohibitions against rebating. The department will strictly enforce the rebating statutes with regard to crop-hail insurance.

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