

STATE OF NORTH DAKOTA  
BEFORE THE INSURANCE COMMISSIONER

In the Matter of the Promulgation	)	
of Proposed Rules Regarding:	)	
Producer Licensing, Insurance Holding	)	REGULATORY ANALYSIS, SMALL
Company Systems, Credit for	)	ENTITY ECONOMIC IMPACT STATEMENT
Reinsurance, Accounting Practices and	)	AND SMALL ENTITY REGULATORY
Procedures, Life Insurance Advertising,	)	ANALYSIS
Boilers, and Bail Bondsmen	)	
	)	FILE NO. RU-15-543
	)	

**I. REGULATORY ANALYSIS**

The North Dakota Insurance Department issues this regulatory analysis as required by N.D.C.C. § 28-32-08. An agency must issue a regulatory analysis if a written request for an analysis is filed by the Governor or a member of the Legislative Assembly or a proposed rule being adopted by the agency is expected to have an impact on the regulated community in excess of \$50,000. *Id.*

Each of the proposed rules may have an impact on the regulated community in excess of \$50,000.

**A. Classes of Persons Who Probably Will Be Affected by the Proposed Rules**

N.D. Admin. Code ch. 45-02-02 – Producer Licensing. The classes of persons who will probably be affected by the proposed rules are insurance producers. This group will potentially bear the burden as well as the benefit of the proposed rules.

N.D. Admin. Code ch. 45-03-05 – Insurance Holding Company Systems. The classes of persons who will probably be affected by the proposed rules are insurance holding companies. This group will potentially bear the burden as well as the benefit of the proposed rules.

N.D. Admin. Code ch. 45-03-07.1 – Credit for Reinsurance. The classes of persons who will probably be affected by the proposed rules are alien and foreign assuming reinsurance companies. This group will potentially bear the burden as well as the benefit of the proposed rules.

N.D. Admin. Code Chapter 45-03-15 – Accounting Practices and Procedures. The classes of persons who will probably be affected by the proposed rules are insurance companies. This group will potentially bear the burden as well as the benefit of the proposed rules.

N.D. Admin. Code ch. 45-04-10 – Life Insurance Advertising. The classes of persons who will probably be affected by the proposed rules are insurance companies, insurance producers and insurance agencies. These groups will potentially bear the burden as well as the benefit of the proposed rules.

N.D. Admin. Code Article 45-12 – Boilers. The classes of persons who will probably be affected by the proposed rules are individuals who operate boilers and the individuals who inspect boilers.

N.D. Admin. Code ch. 45-17-01 - Bail Bondsmen. The classes of persons who will probably be affected by the proposed rules are insurance producers, specifically those licensed to write bail bonds. This group will potentially bear the burden as well as the benefit of the proposed rules.

**B. Description of the Probable Impact Including the Economic Impact of the Proposed Rules**

N.D. Admin. Code ch. 45-02-02 – Producer Licensing. The proposed rules merely update and clarify terminology used in the rules, specifically terminate vs. cancel. These rules are expected to have only a minimal financial impact, if any, on insurance producers.

N.D. Admin. Code ch. 45-03-05 – Insurance Holding Company Systems. The proposed rules add a Form F - Enterprise Risk Report as a holding company requirement and modifies transactions subject to prior notice to specify what must be included in cost sharing and management services agreements. These rules are expected to have only a minimal financial impact on insurance holding companies.

N.D. Admin. Code ch. 45-03-07.1 – Credit for Reinsurance. The proposed rules add a new section for the certification of reinsurers. The Commissioner will evaluate the reinsurance supervisory system to determine if the jurisdiction qualifies to be recognized as a qualified jurisdiction. The proposed rules allow reinsurers to post reduced collateral requirements if they meet certain financial conditions and if they are from qualified jurisdictions. These rules are expected to have a minimal financial impact on assuming reinsurance companies.

N.D. Admin. Code Chapter 45-03-15 – Accounting Practices and Procedures. The proposed rule merely updates the version of the National Association of Insurance Commissioners Accounting Practices and Procedures Manual that insurers providing property and casualty and life and health insurance must use from the 2013 version to the 2015 version. This rule is expected to have only a minimal financial impact on insurers.

N.D. Admin. Code ch. 45-04-10 – Life Insurance Advertising. The proposed rules update and clarify sections of the chapter to correspond to the most recent version of the National Association of Insurance Commissioners model regulations and the North Dakota Administrative Code's rules pertaining to advertising of accident and health insurance. These rules are expected to have only a minimal financial impact on insurers, insurance producers and agencies.

N.D. Admin. Code Article 45-12 – Boilers. This proposed rule makes inspection intervals consistent and allows insurance inspectors to submit reports electronically. This is necessary because the Department will be launching a new boiler inspection software program this fall. Currently, the rules require the reports to be submitted in paper form. The rule also allows inspection program on low-pressure boilers to go from two-year intervals to three-year intervals and clarifies an inspection would be required annually for hot water heating and hot water supply boilers. The rule makes hospitals part of the one year requirement. This rule is expected to have only a minimal financial impact on individuals who operate boilers and individuals who inspect boilers.

N.D. Admin. Code ch. 45-17-01 - Bail Bondsmen. This proposed rule requires a bail bond agent to monitor the status of the bonds written by the bail bond agent to make timely return of the collateral security to the principal. The rule clarifies that “monitoring” the status of the bond means checking the status of the bonds issues by a bail bond agent at least once every seven days. This rule is expected to have only a minimal financial impact on insurance producers licensed to write bail bonds.

**C. Probable Costs to the Agency of Implementation and Enforcement of the Proposed Rule and Any Anticipated Effect on State Revenues**

N.D. Admin. Code ch. 45-02-02 – Producer Licensing. The probable cost to the agency of implementation and enforcement is expected to be of minimal impact on the Department’s operations or expenditures. There will be little, if any, effect on state revenues from the proposed rules.

N.D. Admin. Code ch. 45-03-05 – Insurance Holding Company Systems. The probable cost to the agency of implementation and enforcement is expected to be of minimal impact on the Department’s operations or expenditures. There will be little, if any, effect on state revenues from the proposed rules.

N.D. Admin. Code ch. 45-03-07.1 – Credit for Reinsurance. The probable cost to the agency of implementation and enforcement is expected to be of minimal impact on the Department’s operations or expenditures. There will be little, if any, effect on state revenues from the proposed rules.

N.D. Admin. Code Chapter 45-03-15 – Accounting Practices and Procedures. The probable cost to the agency of implementation and enforcement is expected to be of minimal impact on the Department’s operations or expenditures. There will be little, if any, effect on state revenues from the proposed rules.

N.D. Admin. Code ch. 45-04-10 – Life Insurance Advertising. The probable cost to the agency of implementation and enforcement is expected to be of minimal impact on the Department’s operations or expenditures. There will be little, if any, effect on state revenues from the proposed rules.

N.D. Admin. Code Article 45-12 – Boilers. For the electronic filing portion of the rules, the cost to the Insurance Department for the boiler inspection software is \$79,125 for the first two years. If the Department secures a renewal after the first year, the total cost is \$94,218.75 for three years. In addition, first-year maintenance, which applies to the second year of the contract, is 25 percent of the purchase price. In subsequent years, maintenance will be no more than five percent of first-year maintenance costs. Transitioning to the software and electronic filing system will have little, if any, effect on state revenues. The remaining rules are expected to be of minimal impact on the Department’s operations, expenditures, and revenue.

N.D. Admin. Code ch. 45-17-01 - Bail Bondsmen. The probable cost to the agency of implementation and enforcement is expected to be of minimal impact on the Department’s operations or expenditures. There will be little, if any, effect on state revenues from the proposed rules.

D. **Description of Any Alternative Methods for Achieving the Purpose of the Proposed Rules That Were Seriously Considered by the Agency and the Reasons Why the Methods Were Rejected in Favor of the Proposed Rules**

N.D. Admin. Code ch. 45-02-02 – Producer Licensing. The Department considered whether there are any less intrusive or less costly alternative methods of achieving the purpose of the proposed rules. However, the proposed rules simply update and clarify terminology. The Department did not identify any alternative methods of achieving the purpose of the proposed rules that would have been equally effective.

N.D. Admin. Code ch. 45-03-05 – Insurance Holding Company Systems. The Department considered whether there are any less intrusive or less costly alternative methods of achieving the purpose of the proposed rules. These proposed rules are required for accreditation of the North Dakota Insurance Department by the National Association of Insurance Commissioners. Therefore, the Department did not identify any alternative methods of achieving the purpose of the proposed rules that would have been equally effective.

N.D. Admin. Code ch. 45-03-07.1 – Credit for Reinsurance. The Department considered whether there are any less intrusive or less costly alternative methods of achieving the purpose of the proposed rules. However, the alternative method would have removed the authority of the North Dakota Insurance Commissioner and replaced it with the National Association of Insurance Commissioners which is not allowed under state law. Considering this, the Department did not identify any realistic alternative methods of achieving the purpose of the proposed rules.

N.D. Admin. Code Chapter 45-03-15 – Accounting Practices and Procedures. The Department considered whether there are any less intrusive or less costly alternative methods of achieving the purpose of the proposed rules. However, the proposed rule updates obsolete content. The Department did not identify any alternative methods of achieving the purpose of the proposed rules that would have been equally effective.

N.D. Admin. Code ch. 45-04-10 – Life Insurance Advertising. The Department considered whether there are any less intrusive or less costly alternative methods of achieving the purpose of the proposed rules. However, the proposed rules update and clarify provisions of the chapter. The Department did not identify any alternative methods of achieving the purpose of the proposed rules that would have been equally effective.

N.D. Admin. Code Article 45-12 – Boilers. The Department considered whether there are any less intrusive or less costly alternative methods of achieving the purpose of the proposed rules. However, the proposed rules allow for electronic entry of data and update and clarify provisions of the chapter. The Department did not identify any alternative methods of achieving the purpose of the proposed rules that would have been equally effective.

N.D. Admin. Code ch. 45-17-01 - Bail Bondsmen. The Department considered whether there are any less intrusive or less costly alternative methods of achieving the purpose of the proposed rules. However, the proposed rules are necessary to define a standard for bail bond agents to follow. The Department did not identify any alternative methods of achieving the purpose of the proposed rules that would have been equally effective.

## II. SMALL ENTITY ANALYSES

N.D.C.C. § 28-32-08.1 requires that an agency prepare a regulatory analysis and an economic impact statement of the impact of the rule changes on a small entity. "Small entity" is defined by state law to include small businesses, small organizations, and small political subdivisions. *Id.* "Small business" is defined to mean a business entity, including its affiliates, which is independently owned and operated and employs fewer than 25 full-time employees; or has gross annual sales of less than \$2,500,000. *Id.* "Small organization" means any not-for-profit enterprise that is independently owned and operated and is not dominant in its field. *Id.* "Small political subdivision" means a political subdivision with a population of less than 5,000. *Id.*

### A. Small Entity Economic Impact Statement

#### 1. Small entities subject to the proposed rule

N.D. Admin. Code ch. 45-02-02 – Producer Licensing. The small entities that may possibly be subject to these proposed rules are individuals and agencies which meet the statutory definition of "small entity."

N.D. Admin. Code ch. 45-03-05 – Insurance Holding Company Systems. The proposed rules will not affect small entities or small businesses as those terms are defined by N.D.C.C. § 28-32-08.1.

N.D. Admin. Code ch. 45-03-07.1 – Credit for Reinsurance. The proposed rules will not affect small entities or small businesses as those terms are defined by N.D.C.C. § 28-32-08.1.

N.D. Admin. Code Chapter 45-03-15 – Accounting Practices and Procedures. The small entities that may possibly be subject to these proposed rules are insurance companies, if any, that meet the statutory definition of "small entity".

N.D. Admin. Code ch. 45-04-10 – Life Insurance Advertising. The small entities that may possibly be subject to these proposed rules are individuals, insurers and agencies which meet the statutory definition of "small entity."

N.D. Admin. Code Article 45-12 – Boilers. The small entities that may possibly be subject to these proposed rules are individuals who operate boilers and the individuals who inspect boilers that meet the statutory definition of "small entity".

N.D. Admin. Code ch. 45-17-01 - Bail Bondsmen. The small entities that may possibly be subject to these proposed rules are individual bail bond agents and bail bond agencies which meet the statutory definition of "small entity."

#### 2. Administrative and other costs required for compliance with the proposed rule

N.D. Admin. Code ch. 45-02-02 – Producer Licensing. The administrative and other costs required for compliance with the proposed rules are expected to be minimal. The rules update and clarify specific terminology in the current rules.

N.D. Admin. Code ch. 45-03-05 – Insurance Holding Company Systems. Since the proposed rules will not affect small entities or small businesses as those terms are defined by N.D.C.C. §

28-32-08.1, there will be no administrative or other costs required for compliance with the proposed rule.

N.D. Admin. Code ch. 45-03-07.1 – Credit for Reinsurance. Since the proposed rules will not affect small entities or small businesses as those terms are defined by N.D.C.C. § 28-32-08.1, there will be no administrative or other costs required for compliance with the proposed rule.

N.D. Admin. Code Chapter 45-03-15 – Accounting Practices and Procedures. The administrative and other costs required for compliance with the proposed rules are expected to be minimal. The rules update the version of the Accounting Practices and Procedures Manual—which is already used by the regulated industry—to the most current version.

N.D. Admin. Code ch. 45-04-10 – Life Insurance Advertising. The administrative and other costs required for compliance with the proposed rules are expected to be minimal. The rules update and clarify provisions of the chapter.

N.D. Admin. Code Article 45-12 – Boilers. The administrative and other costs required for compliance with the proposed rules are expected to be minimal. Insurance Department staff anticipates a cost savings to the Department since insurance company inspectors will enter their data electronically as opposed to having Department staff enter the data based on a filed paper document.

N.D. Admin. Code ch. 45-17-01 - Bail Bondsmen. The administrative and other costs required for compliance with the proposed rules are expected to be minimal. The rule simply requires bail bond agents to monitor the status of their issued bail bonds by checking the status of the issued bail bonds at least once every seven days.

3. Probable cost and benefit to private persons and consumers who are affected by the proposed rules

N.D. Admin. Code ch. 45-02-02 – Producer Licensing. It is possible but unlikely that there would be some cost to private persons and consumers since the proposed rules are directed to insurance companies and insurance producers. Any cost to private persons and consumers would be indirect and not measureable. The probable benefits to private persons and consumers include would be clarified terminology in the rules.

N.D. Admin. Code ch. 45-03-05 – Insurance Holding Company Systems. It is possible but unlikely that there would be some cost to private persons and consumers since the proposed rules are directed to insurance holding companies. Any cost to private persons and consumers would be indirect and not measureable. The probable benefits to private persons and consumers include furthering consumer protection by improved financial oversight of insurance holding companies.

N.D. Admin. Code ch. 45-03-07.1 – Credit for Reinsurance. Any cost to private persons and consumers would be indirect and not measureable. The probable benefits to private persons and consumers include the possible reduction of insurance costs because of increased competition.

N.D. Admin. Code Chapter 45-03-15 – Accounting Practices and Procedures. It is possible but unlikely that there would be some cost to private persons and consumers since the proposed rules are directed to insurance companies.

N.D. Admin. Code ch. 45-04-10 – Life Insurance Advertising. It is possible but unlikely that there would be some cost to private persons and consumers since the proposed rules are directed to insurance companies, insurance producers and insurance agencies. Any cost to private persons and consumers would be indirect and not measureable. The probable benefits to private persons and consumers include furthering consumer protection by improved oversight of advertising practices.

N.D. Admin. Code Article 45-12 – Boilers. It is possible but unlikely that there would be any cost to private persons and consumers from the proposed rules. Any cost to private persons and consumers would be indirect and not measureable. The benefit to private persons is insurance company inspectors will be allowed to enter data electronically into the Department's boiler inspection software system immediately as they are doing their inspections as opposed to filling out a paper report and sending it into the Department for the Department to enter into a data system. The benefit to consumers would be that the Department will have access to boiler inspection information immediately instead of having to wait for a paper form to be mailed in and entered into a data system by Department employees.

N.D. Admin. Code ch. 45-17-01 - Bail Bondsmen. It is possible but unlikely that there would be some cost to private persons and consumers since the proposed rules are directed to bail bond agents. Any cost to private persons and consumers would be indirect and not measureable. The probable benefits to private persons and consumers include furthering consumer protection by improved oversight and active monitoring of the status of bail bonds issued.

#### 4. Probable effect of the proposed rule on state revenues

N.D. Admin. Code ch. 45-02-02 – Producer Licensing. The probable effect on state revenues is expected to be nonexistent or minimal.

N.D. Admin. Code ch. 45-03-05 – Insurance Holding Company Systems. The probable effect on state revenues is expected to be nonexistent.

N.D. Admin. Code ch. 45-03-07.1 – Credit for Reinsurance. The probable effect on state revenues is expected to be nonexistent.

N.D. Admin. Code Chapter 45-03-15 – Accounting Practices and Procedures. The probable effect on state revenues is expected to be nonexistent.

N.D. Admin. Code ch. 45-04-10 – Life Insurance Advertising. The probable effect on state revenues is expected to be nonexistent or minimal.

N.D. Admin. Code Article 45-12 – Boilers. The probable effect on state revenues is expected to be nonexistent or minimal.

N.D. Admin. Code ch. 45-17-01 - Bail Bondsmen. The probable effect on state revenues is expected to be nonexistent or minimal.

5. Any less intrusive or less costly alternative methods of achieving the purpose of the proposed rule

N.D. Admin. Code ch. 45-02-02 – Producer Licensing. The Commissioner considered whether there are any less intrusive or less costly alternative methods of achieving the purpose of the proposed rules. The proposed rules merely update and clarify terminology in the current rules. In view of these circumstances, no less intrusive or less costly alternative methods were identified.

N.D. Admin. Code ch. 45-03-05 – Insurance Holding Company Systems. Since the proposed rules will not affect small entities or small businesses as those terms are defined by N.D.C.C. § 28-32-08.1, no less intrusive or less costly alternative methods of achieving the purpose of the proposed rule was considered.

N.D. Admin. Code ch. 45-03-07.1 – Credit for Reinsurance. Since the proposed rules will not affect small entities or small businesses as those terms are defined by N.D.C.C. § 28-32-08.1, no less intrusive or less costly alternative methods of achieving the purpose of the proposed rule was considered.

N.D. Admin. Code Chapter 45-03-15 – Accounting Practices and Procedures. The Commissioner considered whether there are any less intrusive or less costly alternative methods of achieving the purpose of the proposed rules. Requirements in the proposed rules are mandated by statute and are a codification of current practice familiar to the regulated community. In view of these circumstances, no less intrusive or less costly alternative methods were identified.

N.D. Admin. Code ch. 45-04-10 – Life Insurance Advertising. The Commissioner considered whether there are any less intrusive or less costly alternative methods of achieving the purpose of the proposed rules. The proposed rules merely update and clarify provisions of the chapter to correspond to the National Association of Insurance Commissioners model regulation and the North Dakota Administrative Code's accident and health insurance advertising rules. In view of these circumstances, no less intrusive or less costly alternative methods were identified.

N.D. Admin. Code Article 45-12 – Boilers. The Commissioner considered whether there are any less intrusive or less costly alternative methods of achieving the purpose of the proposed rules. The proposed rules merely update provisions of the chapter and allow for electronic submission of boiler inspection data. In view of these circumstances, no less intrusive or less costly alternative methods were identified.

N.D. Admin. Code ch. 45-17-01 – Bail Bondsmen. The Commissioner considered whether there are any less intrusive or less costly alternative methods of achieving the purpose of the proposed rules. The proposed rules simply require bail bond agents to monitor the status of their issued bail bonds by checking the status of the issued bail bonds at least once every seven days. In view of these circumstances, no less intrusive or less costly alternative methods were identified.



## B. Small Entity Regulatory Analysis

### 1. Establishment of less stringent compliance or reporting requirements for small entities

N.D. Admin. Code ch. 45-02-02 – Producer Licensing. Less stringent reporting and compliance requirements for small entities were considered and found not appropriate. The proposed rules have no effect on any current reporting or compliance requirements.

N.D. Admin. Code ch. 45-03-05 – Insurance Holding Company Systems. Since the proposed rules will not affect small entities or small businesses as those terms are defined by N.D.C.C. § 28-32-08.1, no less stringent compliance or reporting requirements for small entities were considered.

N.D. Admin. Code ch. 45-03-07.1 – Credit for Reinsurance. Since the proposed rules will not affect small entities or small businesses as those terms are defined by N.D.C.C. § 28-32-08.1, no less stringent compliance or reporting requirements for small entities were considered.

N.D. Admin. Code ch. 45-03-15 – Accounting Practices and Procedures. Less stringent reporting requirements for small entities were considered and found not appropriate. Reporting requirements in the proposed rules are a codification of current practice familiar to the regulated community. Less stringent compliance requirements were also considered but they were not appropriate under these circumstances.

N.D. Admin. Code ch. 45-04-10 – Life Insurance Advertising. Less stringent compliance requirements for small entities were considered and found not appropriate. Compliance requirements in the proposed rules are a clarification of current requirements. The proposed rules do not contain reporting requirements.

N.D. Admin. Code Article 45-12 – Boilers. Less stringent reporting requirements for small entities were considered and found not appropriate. Reporting requirements in the proposed rules are carried over from the current version of the rule. Less stringent compliance requirements were also considered but they were not appropriate under these circumstances.

N.D. Admin. Code ch. 45-17-01 - Bail Bondsmen. Less stringent compliance requirements for small entities were considered and found not appropriate. Compliance requirements in the proposed rules are a clarification of current requirements. The proposed rules do not contain reporting requirements.

### 2. Establishment of less stringent schedules or deadlines for compliance or reporting requirements for small entities

N.D. Admin. Code ch. 45-02-02 – Producer Licensing. The Commissioner considered less stringent schedules or deadlines where possible. The proposed rules do not alter any long-standing schedules or deadlines for compliance or reporting requirements. The proposed rules merely update and clarify terminology.

N.D. Admin. Code ch. 45-03-05 – Insurance Holding Company Systems. Since the proposed rules will not affect small entities or small businesses as those terms are defined by N.D.C.C. § 28-32-08.1, no less stringent schedules or deadlines for compliance or reporting requirements for small entities were considered.

N.D. Admin. Code ch. 45-03-07.1 – Credit for Reinsurance. Since the proposed rules will not affect small entities or small businesses as those terms are defined by N.D.C.C. § 28-32-08.1, no less stringent schedules or deadlines for compliance or reporting requirements for small entities were considered.

N.D. Admin. Code Chapter 45-03-15 – Accounting Practices and Procedures. The Commissioner considered less stringent schedules or deadlines where possible. No schedules or deadlines for compliance or reporting requirements appear in the proposed rules.

N.D. Admin. Code ch. 45-04-10 – Life Insurance Advertising. The Commissioner considered less stringent schedules or deadlines where possible. The proposed rules do not alter any long-standing schedules or deadlines for compliance or reporting requirements. The proposed rules merely update and clarify provisions of the chapter.

N.D. Admin. Code Article 45-12 – Boilers. The Commissioner considered less stringent schedules or deadlines where possible. Schedules or deadlines in the proposed rules are carried over from the current version of the rule. Less stringent compliance requirements were also considered but they were not appropriate under these circumstances.

N.D. Admin. Code ch. 45-17-01 - Bail Bondsmen. The Commissioner considered less stringent schedules or deadlines where possible. The proposed rules do not alter any long-standing schedules or deadlines for compliance or reporting requirements. Therefore, less stringent schedules or deadlines for compliance or reporting requirements were not considered appropriate under these circumstances.

### 3. Consolidation or simplification of compliance or reporting requirements for small entities

N.D. Admin. Code ch. 45-02-02 – Producer Licensing. To the extent possible, compliance or reporting requirements for small entities were simplified or made less onerous or made as streamlined as possible.

N.D. Admin. Code ch. 45-03-05 – Insurance Holding Company Systems. Since the proposed rules will not affect small entities or small businesses as those terms are defined by N.D.C.C. § 28-32-08.1, no consolidation or simplification of compliance or reporting requirements for small entities were considered.

N.D. Admin. Code ch. 45-03-07.1 – Credit for Reinsurance. Since the proposed rules will not affect small entities or small businesses as those terms are defined by N.D.C.C. § 28-32-08.1, no consolidation or simplification of compliance or reporting requirements for small entities were considered.

N.D. Admin. Code Chapter 45-03-15 – Accounting Practices and Procedures. To the extent possible, compliance requirements for small entities were simplified or made less onerous or made as streamlined as possible. There are no reporting requirements for these proposed rules.

N.D. Admin. Code ch. 45-04-10 – Life Insurance Advertising. To the extent possible, compliance or reporting requirements for small entities were simplified or made less onerous or made as streamlined as possible.

N.D. Admin. Code Article 45-12 – Boilers. To the extent possible, compliance or reporting requirements for small entities were simplified or made less onerous or made as streamlined as possible.

N.D. Admin. Code ch. 45-17-01 - Bail Bondsmen. To the extent possible, compliance or reporting requirements for small entities were simplified or made less onerous or made as streamlined as possible.

4. Establishment of performance standards for small entities to replace design or operational standards required in the proposed rule

N.D. Admin. Code ch. 45-02-02 – Producer Licensing. Small entities were not given different operational standards to comply with than large entities. No design standards are presented in the proposed rules.

N.D. Admin. Code ch. 45-03-05 – Insurance Holding Company Systems. Since the proposed rules will not affect small entities or small businesses as those terms are defined by N.D.C.C. § 28-32-08.1, no establishment of performance standards for small entities to replace design or operational standards required for small entities were considered.

N.D. Admin. Code ch. 45-03-07.1 – Credit for Reinsurance. Since the proposed rules will not affect small entities or small businesses as those terms are defined by N.D.C.C. § 28-32-08.1, no establishment of performance standards for small entities to replace design or operational standards required for small entities were considered.

N.D. Admin. Code Chapter 45-03-15 – Accounting Practices and Procedures. Small entities were not given different operational standards to comply with than large entities. No design standards are presented in the proposed rules.

N.D. Admin. Code ch. 45-04-10 – Life Insurance Advertising. Small entities were not given different operational standards to comply with than large entities. No design standards are presented in the proposed rules.

N.D. Admin. Code Article 45-12 – Boilers. Small entities were not given different operational standards to comply with than large entities. No design standards are presented in the proposed rules.

N.D. Admin. Code ch. 45-17-01 – Bail Bondsmen. Small entities were not given different operational standards to comply with than large entities. No design standards are presented in the proposed rules.

5. Exemption of small entities from all or any part of the requirements contained in the proposed rule

N.D. Admin. Code ch. 45-02-02 – Producer Licensing. Small entities were not given different standards to comply with than large entities.

N.D. Admin. Code ch. 45-03-05 – Insurance Holding Company Systems. Since the proposed rules will not affect small entities or small businesses as those terms are defined by N.D.C.C. § 28-32-08.1, no exemption of small entities from all or any part of the requirements was considered.

N.D. Admin. Code ch. 45-03-07.1 – Credit for Reinsurance. Since the proposed rules will not affect small entities or small businesses as those terms are defined by N.D.C.C. § 28-32-08.1, no exemption of small entities from all or any part of the requirements was considered.


N.D. Admin. Code ch. 45-03-15 – Accounting Practices and Procedures. Small entities were not given different standards to comply with than large entities.

N.D. Admin. Code ch. 45-04-10 – Life Insurance Advertising. Small entities were not given different standards to comply with than large entities.

N.D. Admin. Code Article 45-12 – Boilers. Small entities were not given different standards to comply with than large entities.

N.D. Admin. Code ch. 45-17-01 - Bail Bondsmen. Small entities were not given different standards to comply with than large entities.

DATED this 12<sup>th</sup> day of June, 2015.



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