

**STATE OF NORTH DAKOTA**  
**BEFORE THE COMMISSIONER OF INSURANCE**

**In the Matter of the Promulgation  
of Proposed Rules**            )

**FINAL**  
**ORDER ADOPTING RULES**

**FILE NO. RU-06-189**

**THIS MATTER** regarding proposed changes to N.D. Admin. Code Title 45 came before the North Dakota Commissioner of Insurance for consideration. The Commissioner, having published notice, having held a public hearing, having considered the testimony and filed comments of all interested persons, and having been otherwise fully advised in the premises, **FINDS AND CONCLUDES THAT:**

1. A Notice of Intent to Amend Administrative Rules describing the proposed rule changes was prepared and filed on May 24, 2006. The North Dakota Insurance Department staff also prepared a Statement Regarding the Need for a Regulatory Analysis and a Small Company Economic Impact Statement and filed it on May 24, 2006.
2. The Notice and Regulatory Analysis were made available to all interested persons.
3. An Abbreviated Notice of Intent to Amend Administrative Rules was properly published once in each official county newspaper at least 30 days prior to the date of the hearing.
4. A hearing was held on June 28, 2006, in Bismarck, North Dakota, to take comments on the proposed rules. Notice of the hearing was published in all county newspapers as required by law. Department staff testified at the hearing.

5. At the hearing, all interested persons were given a reasonable opportunity to submit relevant oral or written comments and to examine witnesses providing comment at the hearing. The record was held open for additional written comments after the hearing.

6. In promulgating the final version of the rules in the form attached to this Order, the Commissioner considered all testimony given at the hearings and all written comments that have been filed in the docket.

**N.D. ADMIN. CODE CHAPTER 45-06-14  
SELF-INSURANCE POOLS**

7. The proposed rules enable groups to form a cooperative to self-insure as one entity to provide health insurance to implement Senate Bill No. 2347 passed by the 2005 Legislative Assembly.

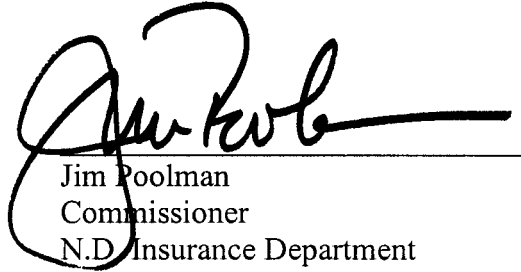
8. Comments were received at the public hearing from Michael Fix, Director of the Life and Health Division, North Dakota Insurance Department, Bismarck; John Jankowski, 1025 North Second Street, Bismarck, and DuWayne Balken, 1001 East Mt. Faith, Fergus Falls, Minnesota, who appeared on behalf of NDESC (North Dakota Educators School Cooperative); and Bobbie Stefan, who appeared by telephone for Aetna Insurance Company.

9. Mr. Fix explained the rules and described the provisions that assure the financial integrity and the competent and equitable administration of a self-insurance pool. Mr. Jankowski and Mr. Balken testified in support of the proposed rules and explained how similar Minnesota rules were working for cooperatives organized under Minnesota laws and rules. Ms. Stefan requested that the rules be modified to more clearly identify the state statutes to which a self-insurance pool was subjected. In response to the comments from Ms. Stefan, the Department revised Sections 45-06-14-06(4) and 45-06-14-10(1). It also made an editing change to Section 45-06-14-04(2).

**ORDER**

IT IS, THEREFORE, ORDERED that the rules in the form attached to this Order, modified to include the changes recommended, be adopted and filed in accordance with applicable provisions of state law to become effective on January 1, 2007.

DATED this 17<sup>th</sup> day of August, 2006.



Jim Poolman  
Commissioner  
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