

**NOTICE OF INTENT  
TO AMEND ADMINISTRATIVE RULES**

TAKE NOTICE that the North Dakota Insurance Department will hold a public hearing to address proposed amendments to N.D. Admin. Code Title 45 at 9:00 a.m. on Thursday, November 6, 2003, in the Ft. Lincoln Room of the State Capitol, Bismarck, North Dakota. The proposed amendments to Chapter 45-03-19 may have an impact on the regulated community in excess of \$50,000. The proposed amendments are summarized as follows:

<b>Section Affected</b>	<b>Short Title</b>	<b>Description</b>
45-03-15	Accounting Practices and Procedures	Updates references to the NAIC Accounting Practices and Procedures Manual to reflect the March 2003 version of the manual.
45-03-19	Actuarial Opinion and Memorandum	Removes provisions that exempt life insurers with admitted assets less than \$500 million from asset adequacy analysis requirements. Imposes the same standards on all life insurers for actuarial opinions and supporting memorandum. Gives the Commissioner authority to specify actuarial analysis methods and assumptions and to accept under certain conditions an opinion filed by a foreign insurer that is based on the laws of the state of domicile. Requires that the insurer file a confidential summary of an actuarial opinion's major assumptions and economic scenarios.
45-03-23 45-04-09	Use of Clearing Corporations and the Federal Reserve Book Entry System	Moves a chapter relating to the Use of Clearing Corporations and the Federal Reserve Book Entry System from Article 45-04 (life insurance) to a new chapter under Article 45-03 (regulation of all insurance companies). Adds a new subsection to 45-03-23-02 to require that a custodian notify the domiciliary Commissioner when the insurer's custodial agreement is terminated or when 100% of account assets are withdrawn. Updates definitions of "clearing corporation" and "securities".
45-04-07.1	2001 CSO Mortality Table	Adopts the 2001 CSO Mortality Table as the minimum valuation mortality standard.
45-06-05 45-06-05.1	Long-Term Care Insurance Model Regulation	Adopts long-term care rules designed to promote premium adequacy and to protect the policyholders in the event of substantial rate increases. Implements HB 1061.
45-06-08	Loss Ratio Requirement for Association Group Health Policies	Defines individually underwritten and issued association group health policies as individual policies for minimum loss ratio requirement purposes. Also clarifies the scope of the regulation.
45-08-02	Group Coverage Discontinuance & Replacement	Updates chapter as required by the federal Health Insurance Portability and Accounting Act of 1996 (HIPAA).
45-15	Insurance Fraud	Requires that an insurance company notify the Commissioner within 60 days of reasonably identifying insurance fraud.

The proposed rules may be reviewed at the North Dakota Insurance Department, 600 East Boulevard, Bismarck, ND 58505. A copy of the proposed rules may be requested by writing the above address or calling (701) 328-2440. Written or oral comments on the proposed rules sent to the above address or telephone number and received by December 8, 2003, will be fully considered.

If you plan to attend the public hearing and will need special facilities or assistance relating

to a disability, please contact the North Dakota Insurance Department at the above telephone number or address at least seven days prior to the public hearing.

DATED this 10<sup>th</sup> day of September, 2003.

---

Charles E. Johnson  
Special Assistant Attorney General  
General Counsel  
N.D. Insurance Department  
600 East Boulevard Avenue  
Bismarck, ND 58505  
(701) 328-2440