

STATE OF NORTH DAKOTA
BEFORE THE INSURANCE COMMISSIONER

In the Matter of the Promulgation)	NOTICE OF PROPOSED RULEMAKING
of Proposed Rules Regarding:)	
Premium Tax Payments – Estimates,)	FILE NO. RU-20-814
Principle-Based Valuation, Long Term)	
Care Insurance Model Regulation, Self)	
Insurance Health Plans, Consumer Credit)	
Insurance, Surplus Lines Insurance,)	
Notice to Policy Holders, and Privacy of)	
Consumer Financial and Health)	
Information.)	

**NOTICE OF INTENT TO AMEND ADMINISTRATIVE RULES
AND NOTICE OF PUBLIC HEARING**

PLEASE TAKE NOTICE that the North Dakota Insurance Department will hold a public hearing to address the proposed amendments to the following chapters of the North Dakota Administrative Code:

45-03-06	Premium Tax Payments - Estimates
45-03-26	Principle-Based Valuation
45-06-05.1	Long Term Care Insurance Model Regulation
45-06-17	Self Insurance Health Plans
45-07-01.1	Consumer Credit Insurance
45-09-01	Surplus Lines Insurance
45-11-01	Notice to Policy Holders
45-14-01	Privacy of Consumer Financial and Health Information

The hearing will be held at **9:00 a.m., central time, November 17, 2020, in the Sakakawea Room, State Capitol, Bismarck, North Dakota.**

The Department proposes amendments to the following administrative rules:

1. N.D. Admin. Code ch. 45-05-06 – Premium Tax Payments – Estimates. This chapter is being amended to state that insurers who receive a credit for assessments paid to the reinsurance association of North Dakota shall be taken in the calendar year in which it was paid. If the credit exceeds the premium tax liability, it is not eligible to be carried over to future years. The purpose of this rule is to ensure that all credits for assessments are taken in the calendar year for organizational purposes.
2. N.D. Admin. Code ch. 45-03-26 – Principle-Based Valuation. This chapter is being created to ensure that the Valuation Standards as set by the National Association of Insurance Commissioners will be utilized in their most current form by Life and Health Insurers. The purpose of the rule is to guarantee that the best and most up to date valuation standards are being used for North Dakota consumers.

3. N.D. Admin. Code ch. 45-06-05.1 – Long Term Care Insurance Model Regulation. This chapter is being amended to correct a clerical error from the March 1, 2020 Administrative Rules batch. It amends the effective date from October 1, 2019 to the rightful date of March 1, 2020. There is no substantive change to the rule. The purpose of this rule is to correct a prior error.
4. N.D. Admin. Code ch. 45-06-17 – Self Insurance Health Plans. This chapter is being amended to set the framework should the North Dakota Public Employee Retirement System Board direct the North Dakota Public Employees Retirement System (NDPERS) to create a self insurance plan for the members. It lays out the administration of a self insurance health plan for NDPERS, the level at which reserves must be established, reporting requirements, trade practices, disclosures, and termination. The purpose of this rule is to have a framework in place should the NDPERS Board decide to create a self insurance health plan for the members.
5. N.D. Admin. Code ch. 45-07-01.1 – Consumer Credit Insurance. This chapter is being amended to correct errors in the formulas used by life insurers. Insurers have been operating under the correct formula, but the one codified in the Admin Rules has been incorrect. There is not expected to be any impact by correcting the error. The purpose of this rule is to have the correct formula codified in the rule.
6. N.D. Admin. Code ch. 45-09-01 – Surplus Lines Insurance. This chapter is being amended to align the surplus lines filing guidelines with updates in the North Dakota Century Code. This rule places the filing deadlines for surplus lines affidavits at the end of specified quarters. The purpose of this rule is to conform the requirements of this rule with the updates in Century Code.
7. N.D. Admin. Code ch. 45-11-01 – Notice to Policy Holders. This chapter is being amended to update the notice of protection provided by the North Dakota Life and Health Guaranty Association to include Health Maintenance Organizations in the terms “insurance company” and “insurer.” It also updates the definition of health benefit plan as it is defined in North Dakota Century Code. The purpose of this rule is to update the notice of protection so it is more in line with current needs.
8. N.D. Admin. Code ch. 45-11-01 – Privacy of Consumer Financial and Health Information. This chapter is being amended to be consistent with the statutory exception in N.D.C.C. §26.1-02-38, which is an exception to the general rule regarding annual privacy notices to customers stating that if a licensee that provides nonpublic personal information to nonaffiliated third parties in accordance with applicable century code has not changed its policies and practices from those that were disclosed to the consumer and not required to provide an annual notice unless that licensee fails to comply with the guidelines set forth in the exception. The purpose of this rule is to ensure that consumers are being notified pertinent information regarding their privacy, but not unnecessary information.

These rules are not expected to have an impact in excess of \$50,000 on the regulated community.

Any interested person may review the text of the proposed rules at, and written comments concerning the proposed rules may be sent to, the following address: North Dakota Insurance

Department, 600 East Boulevard Avenue, 5th Floor, Bismarck, ND 58505. The deadline for submission of written comments is: **December 2, 2020**. A copy of the rules and the regulatory analyses may be reviewed on the Department's website at www.nd.gov/ndins or may be requested by telephoning (701) 328-2440.

If you plan to attend the public hearing and will need special facilities or assistance relating to a disability or COVID-19 concerns, 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 4 day of September, 2020

 /s/ Helene J Herauf
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