



**North Dakota**  
**INSURANCE**  
**DEPARTMENT**  
**PROTECTING THE PUBLIC GOOD**  
JON GODFREAD, COMMISSIONER

# Fall Newsletter

[www.nd.gov/ndins](http://www.nd.gov/ndins)

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## Greetings from the Commissioner By Jon Godfread

Season's greetings! I know it may seem a bit early to be sharing holiday sentiments, however, an extremely eventful September and October have made it feel like November just crashed through our door. Before we know it, we'll be sitting down to a delicious Thanksgiving meal and then gathering with family and friends around the Christmas tree. Around this time of year, I try to take a moment to reflect on the previous year – on my goals, achievements, things I hope to improve upon and, of course, all I have to be thankful for.

One goal I had for my first year as your Insurance Commissioner was to further open up the lines of communication between the Department, producers and consumers. We've expanded the platforms by which we share valuable information through social media, especially with our new Facebook page, and by making daily updates to our website. Another way in which we've worked to improve communication is through the continuation of our annual Agent Forums, including our return to Dickinson and Williston.



This year's Agent Forums provided me with the opportunity to personally introduce myself to a number of producers across the state. I was extremely pleased to have met so many of you and hope to meet even more in the future

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as the Department works to improve attendance at these events. I am grateful to those who were able to attend this year and hope you found the information provided to be thought-provoking and useful. Please keep your eye out for a survey to provide feedback on the Agent Forums. I want to make sure you are getting the information you want in the manner you want to receive it. Stay tuned as we approach the New Year for the opportunity to provide us with this valuable feedback.

Finally, I'd like to take this opportunity to give praise and thanks to our North Dakota producers for the important work you are doing. The insurance industry is a complicated one. But without it, many North Dakotans might not own a home or car. They might not take the risk of starting their dream business, or they might not be able to invest in the health and wellness of themselves or their family. You help provide our consumers the peace of mind they need. Thank you for assisting the Department in helping them navigate the industry with great honesty and compassion, especially during this time of uncertainty in the health insurance marketplace. Your dedication to providing the highest quality of service is very much appreciated.

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Hoping you have a great holiday season!

## 2017 Agent Forums Summary

The 2017 Agent Forums, which commenced on October 2, offered North Dakota producers the opportunity to meet Commissioner Jon Godfread, discuss issues they are experiencing and ask questions or express concerns about the industry. Events were held in Jamestown, Grand Forks, Fargo, Dickinson, Williston, Minot and Bismarck-Mandan.

Unfortunately, attendance was down from previous years in each city visited. Producer Licensing Division Director Kelvin Zimmer did, however, receive many compliments from producers for taking the time to travel across the state each year and host the forums. Producers in the Williston area also expressed gratitude to the Department for hosting an event there this year.

Zimmer was not sure why participation numbers were down. Prior to the events, he thought there might be a spike in numbers this year due to the fact that the Department has a new commissioner and new legislation has been enacted since the 2017 legislative session.

Because of the decline in participation, Zimmer believes it may be time for the Department to look at new and different



Commissioner Jon Godfread kicks off the Fargo Agent Forums at the FargoDome.

ways in which it can reach the industry. In previous years, a big motivating factor for producers to attend the forums was the three, free Continuing Education (CE) credits offered, one of those credits being in ethics. In the past, Agent Forums provided a great opportunity to receive those CE credits. Now, however, it is easy to receive CE credits through online courses, especially for those unable to attend off-location training.

2017 participation numbers by city:

Jamestown	Grand Forks
2017 - 38	2017 - 58
2016 - 39	2016 - 89
Fargo	Dickinson
2017 - 112	2017 - 40
2016 - 148	2013 - 53
Williston	Minot
2017 - 24	2017 - 69
2013 - 30	2016 - 95
Bismarck-Mandan	
2017 - 92	
2016 - 102	





## Commissioner Interviews Golf and Internet Sensation David Johnson



On September 29, 2016, Mayville, North Dakota, resident and insurance agent, David Johnson, made a historical putt at the Ryder Cup. Commissioner Jon Godfread met with Johnson in Fargo in September to talk about his experience at the Ryder Cup and after he became an internet sensation. Godfread also challenged Johnson to a game of mini golf.

A video of the interview and challenge has been posted on the Department Facebook page ([www.facebook.com/NDInsuranceDepartment](http://www.facebook.com/NDInsuranceDepartment)) and YouTube channel ([www.youtube.com/user/NDInsuranceDept](http://www.youtube.com/user/NDInsuranceDept)).

Godfread and Johnson played for a Slam Dunk Hot Shot putting game.



## National Flood Insurance Program Update

*A portion of the following op-ed appeared in both the Bismarck Tribune and Fargo Forum*

*on August 28, 2017*

The current National Flood Insurance Program (NFIP) reauthorization expires on September 30, 2017. As flood insurance is an important issue for the North Dakota Insurance Department, for our state and for the thousands of consumers in North Dakota who are affected by the decisions being made at a federal level regarding flood insurance, I want to share a few thoughts I have and recommendations I've recently made to Senators Hoeven and Heitkamp.

Currently, the NFIP is seeking to reduce the costs and consequences of flooding for policyholders while at the same time encouraging flood mitigation and decreasing our dependence on federal disaster assistance. Given these objectives, Congress faces a real challenge in trying to maintain a balance between improving the financial solvency of the program and reducing taxpayer exposure while maintaining affordability for the consumer.

First and foremost, the North Dakota Insurance Department fully supports legislative efforts that facilitate the growth of a state-regulated private flood insurance market to help provide consumers with more choices and coverage potentially at more affordable prices. While the NFIP has historically served as the primary source of flood coverage in the U.S., more sophisticated risk mapping and modeling has been developed in recent years and is now generating new interest among private insurers to provide such coverage.

NFIP reauthorization could be an opportunity to remove some of the barriers that currently preclude the creation of a robust private flood insurance market. Opponents of such a market are concerned that growth within the private flood insurance market could lead to a "cherry picking" of the best risks by the private market. This concern, however, is unfounded and represents a fundamental misunderstanding of catastrophe insurance, which is largely driven by risk concentration and high potential losses. Hurricane Katrina and Superstorm Sandy, for example, resulted in unprecedented losses to the NFIP because of the high number of insured properties that were damaged. The NFIP was the sole "insurer" for both disasters and subsequently sustained enormous losses. Allowing a more robust private market would have helped spread that substantial risk and devastating loss across a broader market and the impact would not have been as damaging to a single insurer with concentrated risk. Spreading the risk and adequately rating that risk has and will continue to work in the property insurance world. Spreading the risks across multiple insurers keeps rates affordable for consumers and limits the impacts of catastrophic disasters. A private market can actually help make the NFIP more competitive and more sustainable.

The Department also supports efforts being made that would clarify state insurance regulators' authority over private flood insurance and provide a clear definition of "private flood" therefore removing confusing language and encouraging more insurers to enter the market. Facilitating the entry of additional carriers into the market will provide consumers with access to additional options for flood insurance products.



## National Flood Insurance Program Update cont.

In addition to supporting the creation of a regulatory environment that allows for a private flood insurance market, it is critical that reauthorization legislation focus on increasing flood mitigation efforts. Floods continue to be one of the most destructive natural hazards, and encouraging investment in prevention and preparedness measures is critical to minimizing the impact of damage and economic loss. The Department supports mitigation discounts, such as premium discounts or insurance rate reductions, to persons who build, rebuild or retrofit certain residential properties to better resist flood events, along with legislation to allow individuals to set aside funds in a tax-preferred savings account for disaster mitigation and recovery expenses.

Finally, the Department encourages legislative reforms that ensure accurate flood mapping. FEMA needs to provide increased transparency regarding its decision-making processes for developing and updating its flood maps along with its approach to rate making so that policyholders understand their current flood risk. Any reauthorization legislation should include strategies to increase flood insurance usage, including facilitating opportunities to educate consumers about flood insurance policy options and encouraging the purchase of flood insurance for those outside of special flood hazard areas.

I understand the difficult task Congress faces with regard to this reauthorization. However, I feel it is my duty as a representative of North Dakota consumers to advocate for the positive changes I've outlined above. It is imperative that Congress should reauthorize NFIP prior to its expiration. Reauthorization would help avoid short-term extensions and program lapses that could create uncertainty in the insurance market.

Jon Godfread  
Insurance Commissioner

*On Nov. 14, the House of Representatives voted 237-189 to pass the 21st Century Flood Reform Act (H.R. 2874) – a package of seven bills that reauthorizes the NFIP until 2022 and introduces various reforms. The bill includes a pathway for private insurers to enter the flood market, allows states be rated differently based on location (i.e., no coastal rating for states located off the coast), and community-based flood mapping.*

*The fate of the NFIP now rests with the Senate, which may adopt the House bill or a version of it, advance its own bill, or do nothing. Currently the NFIP is set to expire on Dec. 8, 2017.*





## A Little Housekeeping



### Reporting of Actions

An insurance producer must report to the Commissioner any administrative action taken against his or her license in any other state or United States Territory or any actions taken against him or her by another North Dakota governmental agency, board or commission within 30 days of the closing of the matter. This report must include an explanation of the action, copy of the order and consent to order or relevant legal documents. Reports can be made via e-mail or to the NIPR.

Within 30 days after a criminal conviction, an insurance producer must report to the Commissioner any criminal conviction, no matter where it occurred. The report must include an explanation of the conviction, copy of the initial complaint and the order issued by the court and any other relevant legal documents. Again, reports can be made via e-mail or to the NIPR.

If you have any questions regarding the reporting of actions requirements for North Dakota, please refer to NDCC § 26.1-26-45.1 or contact the North Dakota Insurance Department at:

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# Give Us Your Feedback



Have any suggestions for the newsletter?

We want to hear from you!

Share your suggestions with the Department by emailing  
Ashley Kelsch at [amkelsch@nd.gov](mailto:amkelsch@nd.gov).

