



2019 Producer Forums

North Dakota Insurance Department

Agenda

▶ Department Review and Update

Commissioner Jon Godfread

▶ Legislative Update

Deputy Commissioner/General Counsel Jeff Ubben

▶ Producer Licensing Division Update

Greg Nelson, Producer Licensing Division Director

▶ Product Filing Division Update

Chrystal Bartuska, Product Filing Division Director



Department Review and Update

Jon Godfread
Commissioner

Department Overview

- ▶ Agency Budget - Restructure
 - Boiler inspections
 - Underground Petroleum Tank Fund
 - Fire and Tornado and State Bonding Fund
 - Consumer Outreach Coordinator
- ▶ New Department Website
 - Live chat coming soon



- HOME
- CONSUMERS ▾
- PRODUCERS ▾
- COMPANIES ▾



Information for Producers



ABOUT US

COMMUNICATIONS

SHIC - MEDICARE

HEALTH CARE REFORM

ENFORCEMENT

COMPLIANCE

FORMS

SPECIAL FUNDS

Department Overview

- ▶ Reinsurance Association of North Dakota
 - Attachment point at \$100k, coinsurance of 75%, and cap at \$1M. Resulting assessments to companies would be roughly 2% of written premium.
 - After \$1M, the claim would be paid 60% by federal risk adjustment program (federal reinsurance) and 40% by the carrier
 - Estimated that 0.53% of the population would go into the invisible high risk pool, 0.24% of the claims would fall between \$200k and \$1M
 - Estimated rate reduction is 20%



Legislative Update

Jeff Ubben

Deputy Commissioner/General Counsel

HB 1144 - Commission/Fee Bill

A producer may collect a commission and a fee on the same transaction on commercial business. Written disclosure is required disclosing:

- (1) The nature of the services for which the fees will be charged along with a separate itemization of the amount of the fees;
- (2) That the fees are charged in addition to any premiums paid;
- (3) That if the insurance producer is also an appointed agent of an insurer with which coverage is being considered for placement, a statement that the insurance producer also represents the insurer in the transaction and owes a duty of loyalty to the insurer;

AND

HB 1144 - Commission/Fee Bill

(4) That if the insurance producer is to receive a commission from the sale of an insurance policy related to the services rendered, a statement clearly and completely disclosing that the:

- (a) Insurance producer will receive a commission from the insurer which is paid from the premiums owed for the insurance; and
- (b) Amount of commission received by the insurance producer may differ depending on the product sold and the insurer.

*This required disclosure must be signed and dated by both the producer and the party to be charged.

HB 1144 - Commission/Fee Bill

- ▶ Any fee charged must bear a reasonable relationship to the services provided and may not be discriminatory.
- ▶ A producer charging a fee for services rendered for risk management services under this section owes the person to be charged a higher standard of care than the ordinary standard of care otherwise owed by an insurance producer to fully advise the party to be charged as to the party's insurance needs, including the duty to inform the person to be charged as to a potential source of risk and to recommend, if available, insurance coverage for that risk.

HB 1144 - Commission/Fee Bill

An insurance producer may charge an individual, for personal or commercial lines, a fee for paying agency-billed premiums and fees by credit card or other electronic means, if the fee is disclosed to the client in writing and agreed to by the client in writing.

SB 2010 - Change to Rebating Laws

Effective July 1, you can make a donation to a nonprofit 501(c)(3) organization in any amount, even if the donation is offered as an inducement to obtain a quote for an insurance product.

Example: July 1, you can advertise “Come get a quote from ABC Insurance and we’ll donate \$200 for every quote we provide to the Make-A-Wish Foundation.”

2019 Legislation

- ▶ HB 1075 - Surplus lines
- ▶ HB 1116 - Life & Health Guaranty Association Act
- ▶ HB 1139 - Confidentiality of NDID records
- ▶ HB 1176 - County Mutuals
- ▶ SB 2077 - Insurance Fraud

Air Ambulance Update

- ▶ 2017 law
- ▶ Lawsuit filed in January 2018
- ▶ Decision from U.S. District Court striking down the law in January 2019
- ▶ Appeal to the 8th Circuit filed - decision expected in about one year.
- ▶ Federal solution (Congress) likely needed



Producer Licensing Division Update

Greg Nelson

Producer Licensing Division Director

Producer Licensing Division

- ▶ Three Producer Licensing Specialists
 - Applications and renewals (preview for approval)
 - Agent and agency assistance
 - Continuing education course review and approval
 - Fingerprints
- ▶ Collaboration with other Department divisions

Reporting Requirements

▶ Administrative 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 any other 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 NIPR.

▶ Criminal Convictions:

- 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. Reports can be made via e-mail or NIPR.

Updated Contact Information

- ▶ Please be sure to keep your contact information up to date:
 - Email addresses
 - Residential address
 - Business address
 - Phone number
- ▶ Failure to keep this information updated could result in administrative action.



Renewal Reminders

- ▶ Every two years during your birth month
- ▶ 90 days prior
- ▶ All continuing education (CE) requirements must be met
 - 24 total hours (CE providers have 15 days to report)
 - Must include three hours in ethics
- ▶ Deadline is midnight
- ▶ Now sending email reminders
- ▶ There is NO grace period

HB 1219 - N.D.C.C. § 26.1-26.8

- ▶ Public adjuster bill - license required (41 other states)
- ▶ Residents (require background)
- ▶ Non-resident (reciprocity)
- ▶ Business entity
- ▶ Conflict of interest

SB 2167 - Continuing Education

- ▶ Up to four hours of CE every two years for active participation in a Professional Insurance Association.
 - No more than two hours per year
- ▶ Association determines active and sends list to the Department
 - Hour for hour match participation/active

HB 1391 - Storage Unit Insurance

▶ Self Storage

- Limited lines license
- Owner gets a license and employees can work under that license.
- Owner is responsible for everyone's compliance.



Product Filing Division Update

Chrystal Bartuska

Product Filing Division Director

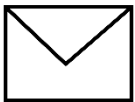
Legislative Bills

- ▶ **Property and Casualty**
 - HB 1156 - Time On Demand Bill
 - HB 1123 - Fire Risk Class Rating
 - HB 1137 - Electronic Delivery-all lines
- ▶ **Life and Health**
 - SB 2118 - Short Term Limited Duration
 - SB 2102 - Discount Plans
 - HB 1468 - Life Insurance Disclosure

Contact Us



(701) 328-2440 or (800) 247-0560



insurance@nd.gov



www.nd.gov/ndins



www.facebook.com/NDInsuranceDepartment



twitter.com/NDID