



North Dakota
INSURANCE
DEPARTMENT

PROTECTING THE PUBLIC GOOD

JON GODFREAD, COMMISSIONER

Agenda

- ▶ Introduction
- ▶ Producer Legislation - Clean Up
- ▶ Producer Legislation - Rebating
- ▶ Producer Legislation - STLD
- ▶ Property and Casualty - Clean Up
- ▶ Property and Casualty - Fraud Division
- ▶ Property and Casualty - Electronic Access
- ▶ Health Insurance Update
- ▶ Q & A

Producer Legislation - Clean Up

- ▶ Change the law to allow the Licensee to pay the NIPR and not just “the Commissioner”.
 - ▶ Problem: Licensee gets a license, does not pay NIPR, NIPR has no recourse to collect what is owed.
- ▶ NDCC 26.1-26-33 - Allow for electronic address changes
- ▶ NDCC 26.1-26-42.1 - change from certified copy to allow usage of producer database. Effects revocations of non-resident producers
- ▶ Exemptions for CE for portable electronics insurance
- ▶ Storage Bill - Storage unit owners need to name the supervising entity (DRLP)
- ▶ 1033 waiver process/felony rehabilitation

Producer Legislation - Rebating

- ▶ Rebating Updates:
- ▶ The offer or provision by insurers or producers, by or through employees, affiliates or third-party representatives, of value-added products or services at no or reduced cost when such products or services are not specified in the policy of insurance if the product or service:
- ▶ Relates to the insurance coverage and is designed to satisfy one or more of the following:
 - ▶ Provide loss mitigation or loss control;
 - ▶ Reduce claims costs or claim settlement costs;
 - ▶ Provide education about liability risk or risk of loss to persons or property;
 - ▶ Monitor or assess risk, identify sources of risk, or develop strategies for eliminating or reducing risk;
 - ▶ Enhance health;
 - ▶ Enhance financial wellness through education of financial planning services;
 - ▶ Provide post-loss services;
 - ▶ Incent behavioral changes to improve the health or reduce the risk of death or disability of a person (defined as policyholder, potential policyholder, certificate holder, potential certificate holder, insured, potential insured or applicant); or
 - ▶ Assist in the administration of the employee or retiree benefit insurance coverage.

Producer Legislation - Rebating

- ▶ An Insurer or a producer may:
- ▶ offer or give non-cash promotional or advertising items or meals or charitable donations on behalf of a person, if the cost does not exceed an aggregate retail value of in an amount that is reasonable, which is determined by the Commissioner one hundred dollars per person per year, an insurance producer may give a gift, prize, promotional article, logo merchandise, meal, or entertainment activity directly or indirectly to a person in connection with marketing, promoting, or advertising the business. As used in this subdivision, "person" means the named insured, policy owner, or prospective client or the spouse of any of these individuals, but the term does not include a certificate holder, child, or employee of the named insured, policy owner, or prospective client. Subject to the limits of this subdivision, an insurance producer may give a gift card for specific merchandise or services such as a meal, gasoline, or carwash but may not give cash, a cash card, any form of currency, or any refund or discount in premium.;

Producer Legislation - Rebating

- ▶ (An Insurer or a producer may:)
- ▶ offer or give gifts or services to commercial or institutional persons in connection with marketing for the sale or retention of contracts of insurance, as long as the cost is reasonable in comparison to the premium or proposed premium and the cost of the gift or service is not included in any amounts charged to another person or entity;
- ▶ conduct raffles or drawings, as long as there is no financial cost to entrants to participate, the drawing or raffle does not obligate participants to purchase insurance, the prizes are not valued in excess of a reasonable amount determined by the Commissioner and the drawing or raffle is open to the public. The raffle or drawing must be offered in a fair manner that is not unfairly discriminatory and may not be contingent on the purchase, continued purchase or renewal of a policy;
- ▶ ~~An insurance producer may not condition the giving of a gift, prize, promotion article, logo merchandise, meal, or entertainment activity on obtaining a quote or a contract of insurance; or~~
- ▶ ~~Notwithstanding the limitation in this subdivision, an insurance producer may make a donation to a nonprofit organization that is exempt from federal taxation under Internal Revenue Code section 501(c)(3) [26U.S.C. 501(c)(3)] in any amount as long as the donation is not given as an inducement to obtain a contract of insurance.~~
- ▶ An insurer, producer or representative of either may not offer or provide insurance as an inducement to the purchase of another policy or otherwise use the word “free” in an advertisement.

Producer Legislation - STLD

- ▶ **26.1-36.8-01. Definitions:**
- ▶ “Individual short term limited duration plan” means health insurance coverage provided pursuant to an individual insurance policy that has an expiration date specified in the policy which is no longer than twelve months after the original effective date of the policy including renewals or extension.
- ▶ “Association” means a group which has a constitution and bylaws, has been organized and maintained in good faith for the purposes other than that of obtaining insurance and insures at least twenty-five members of the association for the benefit of persons other than the association or its officers or trustees.
- ▶ “Association short term limited duration plan” means health insurance coverage provided to an association that has an expiration date specified in the policy which is no longer than twelve months after the original effective date of the policy including renewals or extensions.
- ▶ “Essential Health benefits” means benefits pursuant to SEC 1302 (CFR 156.110)

Producer Legislation - STLD

- ▶ **26.1- 36.8-03. Association Short-Term Limited-Duration Insurance Plans**
- ▶ For purposes of this section any association short-term limited-duration insurance plan approved under NDCC 26.1-30-19 prior to the effective date of this statute may maintain their current plan and are not required to comply with the requirements of this section.
- ▶ An insurer issuing a policy or certificate under this section shall provide, at the insured's option, for renewal or continuation of coverage. The renewal or continuation of coverage period may not extend for more than thirty-six months from the original effective date of the policy.
- ▶ An insured may not be subject to additional underwriting at renewal or continuation of coverage. An insurer offering a short-term limited-duration health insurance plan shall not rate an insured based on any other factor other than the following:
 - ▶ geographic area;
 - ▶ tobacco use;
 - ▶ family size;
 - ▶ age; and
 - ▶ gender.
- ▶

Producer Legislation - STLD

- ▶ An association plan shall cover the following at a minimum:
 - ▶ ambulatory patient services in accordance with the essential health benefits;
 - ▶ emergency services in accordance with the essential health benefits
 - ▶ hospitalization in accordance with the essential health benefits;
 - ▶ pregnancy, maternity, and newborn care in accordance with the essential health benefits;
 - ▶ mental health and substance use disorder services in accordance with the essential health benefits;
 - ▶ prescription drugs in accordance with the essential health benefits
 - ▶ rehabilitative and habilitative services and devices in accordance with the essential health benefits;
 - ▶ laboratory services in accordance with the essential health benefits
 - ▶ preventive and wellness services in accordance with the essential health benefits.
- ▶ An insurer shall provide a notice of termination of the policy or certificate to the insured at least fifteen days before renewal or end of the policy term.

Producer Legislation - STLD

- ▶ 26.1-36.8-04. Marketing and Sales of Individual and Association plans
- ▶ All marketing materials related to the offering or sale of an individual or association plan must be filed with and approved by the commissioner before the plan is offered for sale in this state.
- ▶ Sale of an individual or association plan is only allowed through a licensed and properly appointed insurance producer. An insurance producer's signature and identification number must be included on the prospective insured's application.

Property and Casualty - Clean Up

- ▶ Confidentiality of Market Conduct Exams
- ▶ Credit for Reinsurance - NAIC Model, Covered Agreement, Accreditation Standard
- ▶ Abstract - Annual Statements placed on our website not printed in the newspaper
- ▶ Confidentiality for withdrawn filings
- ▶ Imposition of a penalty for non-filing of fire district payments
- ▶ NDIRF - Fire and Tornado Fund Clean Up

Property and Casualty - Fraud Division

- ▶ North Dakota Insurance Fraud Division Funding.
- ▶ The costs of administration and operation of the North Dakota Insurance Department Fraud Division shall be borne, in part, by all of the insurance companies admitted or authorized to transact business in the State. The Commissioner shall assess two hundred and twenty-five dollars annually against each insurance company admitted or authorized to transact business in the State to provide the funds necessary for the operation of the North Dakota Insurance Fraud Division.

Property and Casualty - Fraud Division

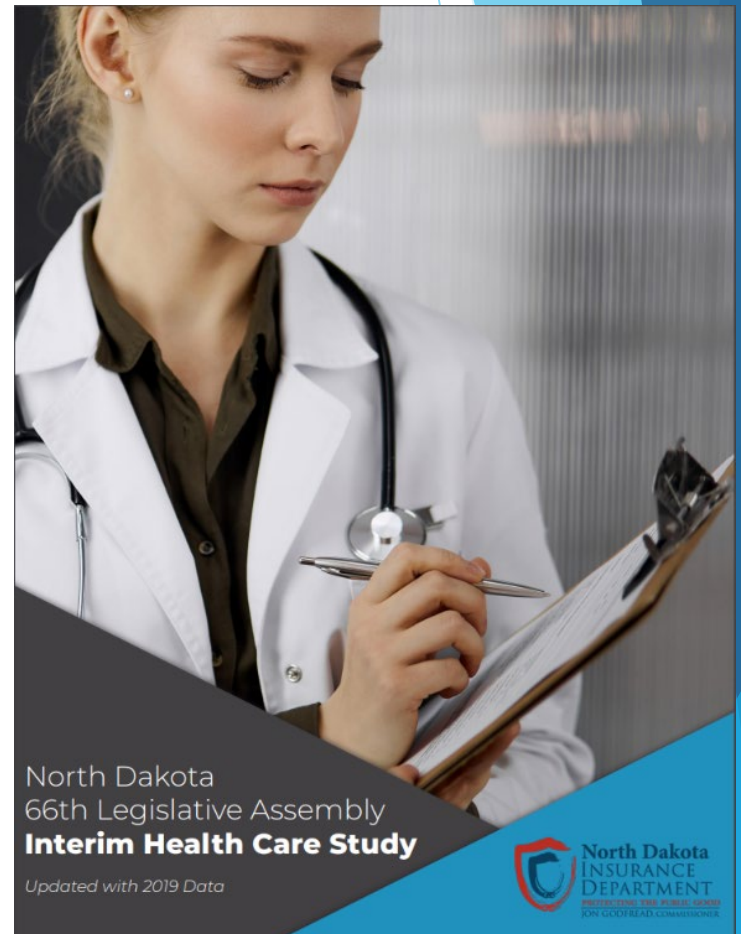
- ▶ Insurance Fraud Auxiliary Fund
- ▶ There is created within the North Dakota Insurance Fraud Division a special revolving fund to be designated as the North Dakota Insurance Fraud Auxiliary Fund. This fund shall be used by the Fraud Division in the performance of the various functions and duties required of the Fraud Division by law, fund specialized training of Fraud Division personnel, and provide the funding for specialized equipment, specialized technology, and insurance fraud public service and prevention campaigns and rewards.
- ▶ Civil Penalty for fraud

Property and Casualty - Electronic Access

- ▶ If an insurer makes the policy, endorsement, or other policy-related information available to the insured on the insurer's website, the insurer may not restrict the insured from using third-party software that facilitates the insured's access to the information provided on the website or accessing the website through a designated agent acting on the insured's behalf.

Health Insurance Update

- ▶ Comprehensive Health Care Cost Report
 - ▶ www.insurance.nd.gov/studies-and-reports
- ▶ Short Term Limited Duration
- ▶ Reinsurance Program
- ▶ Medication Optimization





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