

# Spring Newsletter

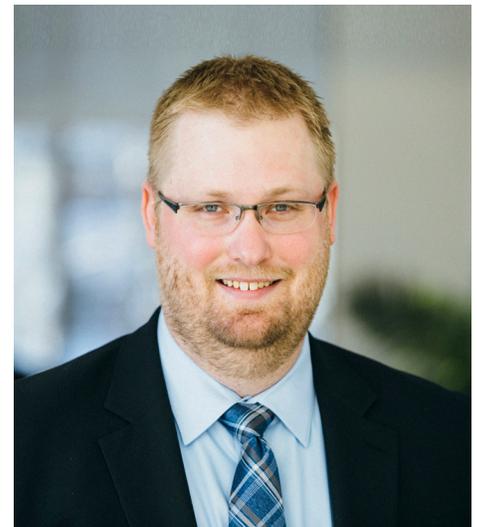
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May | 2018

## Greetings from the Commissioner By Jon Godfread

We are finally shaking off the remaining memories of our long winter and I am sure many of you (me included) are looking forward to summer and all that the nice weather brings to our great state. We have been busy at the North Dakota Insurance Department, which helped the winter months pass by a little quicker. First, let me begin by saying how honored I am to be your Insurance Commissioner and that it has been a great experience working with our producer community thus far. We are all blessed to live in the greatest state, in the greatest nation, at such a great time in history and you all play a role in keeping North Dakota moving forward - for that I sincerely thank you!

As I said earlier, the Department has been keeping busy. Most recently, we have begun an in-depth study of our health insurance marketplace. Through this study we will be analyzing different



options under existing law to make changes to North Dakota's individual marketplace. We will be looking at our existing high-risk pool, the Comprehensive Health Association of North Dakota (CHAND), to see if there are any opportunities to put some much needed downward pressure on insurance rates. We will also be reviewing the approach our friends in Idaho are taking and how those changes could incentivize younger and healthier individuals to re-enter the health insurance market. By attempting to offset some of our more medically complicated consumers while encouraging younger, healthier individuals to purchase health insurance, I believe we have an opportunity to put some significant downward pressure on our individual market rates. Unfortunately, reform does not appear to be coming out of Congress in the near future, thus we are left to try and find a solution under our existing framework at the state level. Please note that any changes we see will likely take effect for the 2020 plan year, and we hope to have our study concluded and options up for discussion by mid-September 2018.

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**North Dakota Insurance Department**  
600 East Boulevard Ave.  
Bismarck, ND 58505-0320  
[www.nd.gov/ndins](http://www.nd.gov/ndins)  
(800) 247-0560

## Greetings from the Commissioner cont.



Commissioner Jon Godfread testifying before the Health Care Reform Committee on May 9 at the North Dakota State Capitol.

Health insurance has taken up most of the oxygen in the Department over the past 18 months, however, as you know, there is much more to insurance than just health insurance. I am excited to share with you that I have been appointed as vice-chair to the National Association of Insurance Commissioner's Innovation and Technology Task Force. This is the principle committee that is working with the insurance industry to better understand and better adapt to a changing marketplace. This is a role I am passionate about as change is coming, our consumers are beginning to expect it, and we all have a role in ensuring the products sold to our consumers are truly in their best interest. I look forward to continuing to engage the producer community as you are generally the first point of contact for our consumers.

Finally, the Department will be holding Producer Forums again this fall but this time around we are exploring a slightly different format. As we approach the 2019 Legislative Session, we view the Producer Forums as an excellent opportunity for you to offer your thoughts on what would make the insurance industry in North Dakota even better. Please stay tuned for more information as we are in the final stages of planning these events. In the meantime, you may find the locations, dates and times for these events on the last page of this newsletter.

As always, thank you for the work you do for our consumers and I look forward to seeing many of you this fall!



## Housekeeping



### Keep SBS Contact Information Up-to-date

The following sections are available in SBS:

Address	Phone	Email address
Residence	Fax	Business
Business	Toll-free number	Personal
Mailing	Residence primary	Email
	Business primary	
	Mobile	
	Other	

The Department recommends producers log into SBS and review their contact information for accuracy. Producers should pay special attention to the email addresses they've provided as these are the Department's main method of communication.

### Renewals

Every two years, on the last day of a producer's birth month, the producer will need to renew their license. The cost for the renewal is \$25.00 and the Department recommends that producers submit their renewal application electronically at [www.nipr.com](http://www.nipr.com).

One issue in particular that the Department sees at the time of license renewals is non-CE compliance. Producers are required to have 24 hours of continuing education (CE) every two years, and of those, three are required to be in ethics. If a producer does not have the required 24 CE hours, they will not be allowed to renew, and if they are not able to renew, their license will expire and all of their appointments will go down. A producer will not be able to sell, solicit or negotiate insurance in North Dakota until their license is back in good standing.

The Department suggests that producers do not wait to the last minute to get their required 24 hours of CE. The CE provider has 15 days after the course is offered to send the Department the course roster. If a producer waits until the last minute, there is a good chance that they will not be in compliance and will not be able to renew their license. The license will expire and there are NO EXCEPTIONS.

Additionally, producers should not send the Department their Course Certificate of Completions received from the CE provider. The only way a producer will get credit for the course(s), is if the CE provider submits the roster to SBS. Again, CE providers have 15 days to submit those, so producers should not wait to the last minute to renew.



## Housekeeping cont.

### Understanding an Education Transcript

The Producer Licensing division often receives telephone calls from producers who have renewed their resident insurance producer licenses and are concerned when their education transcript indicates they are not “CE Compliant.” If a producer has a continuing education (CE) requirement and submits a renewal application online, the system checks to make sure that that producer is in compliance with their CE credits for the two years prior to their current expiration date. If a producer is not CE compliant, they will be unable to submit their renewal application online.

If a producer submitting their renewal application is CE compliant, the producer will receive their new expiration date and the compliance period will be reset. For example, if a producer’s expiration date is 4/30/2018 and the renewal application is submitted and approved, their new expiration date will be 4/30/2020. Their new compliance period will be reset to 05/01/2018 – 04/30/2020. It will say “No” under the CE Compliant heading. This means that the producer has two years to complete their new CE credits, three of which must be in ethics, prior to their new expiration date.

A producer can view their education transcript at any time using the License Manager at <https://sbs.naic.org/solar-external-lookup/license-manager>.



Please contact the Producer Licensing division at (701) 328-2440 or by email at [ndlicensing@nd.gov](mailto:ndlicensing@nd.gov) with questions or concerns.



## Fraud and Fashion

By Dale Pittman

One day an agent called and told me that one of his employees had been embezzling money from the agency sweep account. He said that he had first become suspicious of this employee a few months earlier, after a police officer contacted the employee at work. The police officer had been secretive about the reason she was calling and that prompted the agent to keep an eye on both the employee and the books.

Sure enough, money went missing. The agent gave me enough information to start the case preparation but since he and the employee were several hours away it was going to be a while before I could go there to interview the employee. In the end, it turned out that I wouldn't need to make the trip after all. About twenty minutes after the phone call with the agent, the phone rang again and this time it was the employee.

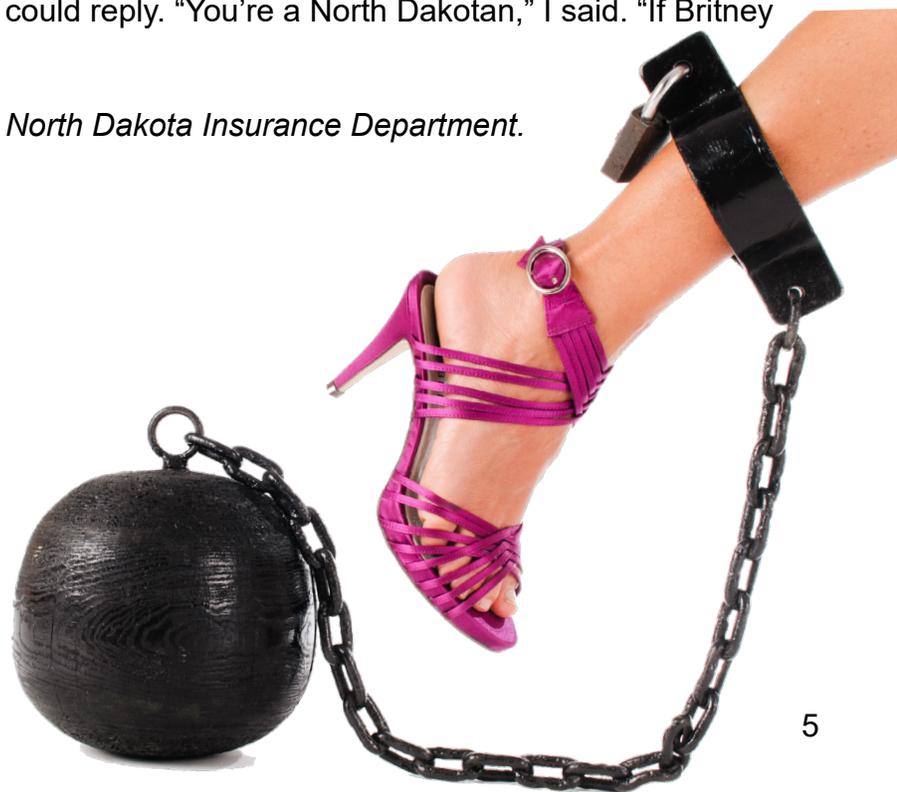
"I did it," she said, "I took the money."

"Okay..." I said, surprised. She then continued with her confession, talking a mile-a-minute and without pause. Like a good cop, I let her talk. When she finally finished, I let her know that she had the right to remain silent and the right to an attorney. She said that she didn't care, she only wanted me to know what happened in the hopes that I would not tell the State's Attorney.

"I got arrested for credit card fraud a couple of months ago and the State's Attorney has agreed to let me serve my sentence at home with an ankle monitor on," she explained. "But if I get any new charges, he's going to make me go to jail, and, I'll be honest, I just can't wear those clothes," she said with panic in her voice.

It took me a minute to stop laughing so that I could reply. "You're a North Dakotan," I said. "If Britney Spears can do it, you can do it."

*Dale Pittman is a Special Investigator for the North Dakota Insurance Department.*



## NDID in the News



### North Dakota Insurance Department

Jon Godfread, Commissioner

May 8, 2018

FOR IMMEDIATE RELEASE

Contact: Ashley Kelsch  
(701) 328-2684  
amkelsch@nd.gov

#### **Insurance Department to Analyze Options for Health Insurance Reform in North Dakota**

BISMARCK, N.D. – Insurance Commissioner Jon Godfread today announced the North Dakota Insurance Department is seeking to work with a consultant in order to perform actuarial and other analysis of state proposals to reform North Dakota’s individual health insurance market. As the Affordable Care Act (ACA) continues to destabilize North Dakota’s individual health insurance market and federal health care reform efforts continue to face significant challenges, the Department is studying various state options available.

“Meaningful health care reform has stalled in Congress. Unfortunately, the fact remains that consumers in North Dakota who seek to purchase their own health insurance are facing increased costs and fewer options. It is now up to the states to be innovative and attempt to find relief for consumers within the rigid structure of the ACA,” Godfread said. “Many of our farmers, ranchers and small business owners simply can no longer afford to purchase health insurance. These are the people who help drive our economy and are now forced to make the decision to forgo health insurance because it is too costly. I believe this study will provide the Department and the Legislature with insight into what the best option for our citizens will be.”

The Department’s goal is to understand the options available and potential impact that implementing such efforts may have on stabilizing the individual health insurance market in North Dakota; namely increasing affordability, competition and consumer choice in both the short and long term as early as health insurance plan year 2020.

The Department is looking for a multi-phased approach to modeling and analyzing reform options and will require that adequate North Dakota-specific modeling be performed to enable it to fully understand the potential impact of several different options. The goal for the analysis is for the Department to understand how each option would affect North Dakota’s individual health insurance marketplace so it can make a determination about which options to propose to the Legislature.



## NDID in the News cont.

Section 1332 of the ACA permits a state to apply for a State Innovation Waiver to pursue strategies for providing its residents with access to high quality, affordable health insurance while retaining the basic protections of the ACA. State Innovation waivers allow states to implement new ways to provide access to quality health care that is at least as comprehensive and affordable as would be provided absent the waiver, provides coverage to a comparable number of residents of the state as would be provided coverage absent a waiver, and does not increase the federal deficit.

The Department will conduct a Section 1332 waiver analysis based on the following three strategies:

- The modification of North Dakota's current high-risk pool, the Comprehensive Health Association of North Dakota (CHAND), to allow a greater number of high risk North Dakotans to obtain their health insurance from CHAND, along with an analysis of the corresponding insurance company assessments necessary for CHAND to successfully operate with an increased high risk membership.
- The modification of CHAND into an invisible high-risk pool where high risk North Dakotans can obtain their health insurance.
- The creation of a reinsurance program independent of CHAND. A reinsurance program would limit the amount of risk insurance companies would take on for the high risk North Dakotans they insure.

The Department is also analyzing Idaho's state-based plan initiative and how a similar state-based plan allowance could operate in North Dakota. The state-based plan initiative would allow insurance carriers to offer plans, outside of the existing ACA exchange, that would be more flexible in how those plans are underwritten and designed. These state based plans would still be required to offer all ACA mandated essential health benefits, be guaranteed issue, but would potentially allow for credits for healthy behavior or other health related factors. These state-based plans would also be a part of the single risk pool for the general marketplace, which could incentivize young and healthy membership into the risk pool and potentially help stabilize the rates.

“The goal of this comprehensive study is to analyze our individual health insurance market from both sides by determining how to successfully attract young and healthy risk into the market and also minimize the amount of risk health insurance companies are exposed to when writing coverage for high risk individuals,” Godfreed said. “How do we address North Dakotans who have complex medical issues and find them the necessary coverage they are seeking, while looking for innovative ways to attract and retain North Dakotans who are seeking this coverage for them and their families but cannot afford it under the current constraints of the ACA? In an ideal world, the reforms Congress brought up last year, specifically the Graham-Cassidy legislation, would allow states the increased flexibility we are looking for. However, as it stands now, we are looking to find anything within the existing ACA, which may help us put some downward pressure on health insurance rates in North Dakota.”

The final report and findings of the study are due to be released and shared with the Legislature by the end of September, in time for the 2019 Legislative Session.



## Important Dates Coming Up

### 2018 Producer Forums

*Invitations including more information will be emailed at a later date.*

**Monday, Oct. 22**  
8:30-10:30 a.m.  
Jamestown  
Quality Inn & Suites  
507 25th St. SW

1:30-3:30 p.m.  
Grand Forks  
Ramada  
1205 N 43rd St.

**Tuesday, Oct. 23**  
9-11 a.m.  
Fargo  
Fargodome  
1800 N University Dr.

**Wednesday, Oct. 24**  
8:30-10:30 a.m. MST  
Dickinson  
Ramada Grand Dakota Lodge  
532 15th St. W

1:30-3:30 p.m.  
Williston  
Grand Hotel  
3601 2nd Ave. W

**Thursday, Oct. 25**  
9-11 a.m.  
Minot  
Grand Hotel  
1505 N Broadway

**Friday, Oct. 26**  
9-11 a.m.  
Bismarck  
Ramada  
1400 E Interchange Ave.

### 2018 Medicare Part D Annual Open Enrollment Events

**Tuesday, Oct. 16**  
9 a.m.-4 p.m.  
Grand Forks  
Canad Inn - 1000 S 42nd St.

**Wednesday, Oct. 17**  
9 a.m.-4 p.m.  
Fargo  
Country Inn & Suites - 3316 13th Ave. S

**Thursday, Oct. 18**  
9 a.m.-4 p.m.  
Valley City  
Senior Center - 139 2nd Ave. SE

**Friday, Oct. 19**  
9 a.m.-4 p.m.  
Jamestown  
Gladstone Inn - 111 2nd St. NE

**Tuesday, Oct. 23**  
9 a.m.-4 p.m. MST  
Dickinson  
Henry Biesiot Activities Center - 398 State Ave.

**Wednesday, Oct. 24**  
9 a.m.-4 p.m. MST  
Williston  
A.R.C. - 822 18th St. E

**Thursday, Oct. 25**  
9 a.m.-4 p.m.  
Minot  
Sleep Inn & Suites - 2400 10th St. SW

**Friday, Oct. 26**  
9 a.m.-12:30 p.m.  
Minot  
Sleep Inn & Suites - 2400 10th St. SW

**Tuesday, Oct. 30**  
9 a.m.-4 p.m.  
Bismarck  
Quality Inn - 1030 E Interstate Ave.

Visit [www.nd.gov/ndins](http://www.nd.gov/ndins) for information and updates on upcoming events.

