

SENATE BILL NO. 2187
with Conference Committee Amendments

Fifty-ninth
 Legislative Assembly
 of North Dakota

SENATE BILL NO. 2187

Introduced by

Senators Krebsbach, Grindberg, Schobinger

Representatives Carlson, Price, Ruby

1 A BILL for an Act to create and enact section 26.1-27-03.1 of the North Dakota Century Code,
 2 relating to bond requirements for third-party administrators; to amend and reenact section
 3 26.1-27-03 of the North Dakota Century Code, relating to fees for acting as a third-party
 4 administrator and the penalties for acting without a third-party administrator license; to repeal
 5 section 26.1-27-04 of the North Dakota Century Code, relating to the waiver of third-party
 6 registration requirements; and to provide a penalty.

7 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

8 **SECTION 1. AMENDMENT.** Section 26.1-27-03 of the North Dakota Century Code is
 9 amended and reenacted as follows:

10 **26.1-27-03. Certificate of ~~registration~~ authority required - Penalty.**

- 11 1. ~~No~~ A person, including a person who directly or indirectly underwrites, collects
 12 charges or premiums from, or adjusts or settles claims on residents of this state in
 13 connection with life, annuity, or health coverage provided by a self-funded plan,
 14 may not act as or hold oneself out to be an administrator in this state, for the kinds
 15 of business for which the person is acting as an administrator, without a certificate
 16 of ~~registration~~ authority issued by the commissioner. Any person violating this
 17 subsection is guilty of a class ~~B misdemeanor~~ C felony.
- 18 2. All applications must be accompanied by a filing fee of ~~twenty-five~~ one hundred
 19 dollars.
- 20 3. The commissioner shall issue a certificate unless the commissioner after due
 21 notice and hearing determines that the administrator is not competent, trustworthy,
 22 financially responsible, or of good personal and business reputation, or has had a
 23 previous application for an insurance license denied for cause within five years.

- 1 4. The administrator shall pay an annual renewal fee of ~~twenty-five~~ fifty dollars to
2 maintain the certificate.
- 3 5. After notice and hearing, the commissioner may revoke a certificate or fine the
4 administrator not more than ten thousand dollars, or both, or the commissioner
5 may suspend a certificate, or fine the administrator not more than five thousand
6 dollars, or both, upon finding that either the administrator violated section
7 26.1-27-05 and subsection 4 of section 26.1-27-06 and also violated subsection 1,
8 2, or 3 of section 26.1-27-06 or section 26.1-27-07, 26.1-27-08, 26.1-27-10,
9 26.1-27-11, or 26.1-27-12, or the administrator is not competent, trustworthy,
10 financially responsible, or of good personal and business reputation.

11 **SECTION 2.** Section 26.1-27-03.1 of the North Dakota Century Code is created and
12 enacted as follows:

13 **26.1-27-03.1. Bond requirement.** An administrator that administers or will administer
14 self-insured plans in this state shall maintain a surety bond or proof of insurance satisfactory to
15 the commissioner for the use and benefit of the commissioner for covered persons who have
16 remitted premiums or insurance charges or other moneys to the administrator in the course of
17 the administrator's business in the greater of the following amounts:

- 18 1. One hundred thousand dollars; or
- 19 2. Ten percent of the aggregate total amount of administered coverage under the
20 plans handled in this state.

21 **SECTION 3. REPEAL.** Section 26.1-27-04 of the North Dakota Century Code is
22 repealed.