

**Sixty-third Legislative Assembly of North Dakota
In Regular Session Commencing Tuesday, January 8, 2013**

SENATE BILL NO. 2304
(Senators Larsen, Klein)
(Representatives Beadle, Kasper)

AN ACT to create and enact a new subdivision to subsection 2 of section 12-60-24 of the North Dakota Century Code, relating to insurance producer criminal history record checks; to amend and reenact section 26.1-26-13.3 of the North Dakota Century Code, relating to insurance producer criminal history record checks; and to provide an effective date.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. A new subdivision to subsection 2 of section 12-60-24 of the North Dakota Century Code is created and enacted as follows:

The insurance department for criminal history record checks authorized under chapter 26.1-26.

SECTION 2. AMENDMENT. Section 26.1-26-13.3 of the North Dakota Century Code is amended and reenacted as follows:

26.1-26-13.3. Application for license.

1. An individual applying for a resident insurance producer license shall make application to the commissioner on the uniform application and declare under penalty of refusal, suspension, or revocation of the license that the statements made in the application are true, correct, and complete to the best of the individual's knowledge and belief. Before approving the application, the commissioner must find that the individual:
 - a. Is at least eighteen years of age;
 - b. Has not committed any act that is a ground for denial, suspension, or revocation set forth in section 26.1-26-42;
 - c. Has paid the fees set forth in section 26.1-01-07; and
 - d. Has successfully passed the examinations for the lines of authority for which the individual has applied.
2. An individual applying for a resident producer license shall complete a criminal history record check as provided in section 12-60-24. All costs associated with the criminal history record check are the responsibility of the applicant. This subsection does not apply to license continuation under section 26.1-26-13.4 or individuals who apply for an insurance producer license within twelve months following the cancellation or expiration of a valid resident insurance producer license issued by the North Dakota insurance department, unless the license was suspended or revoked.
3. The commissioner may make arrangements, including contracting with an outside service, for the collection and transmission of fingerprints for conducting criminal history record checks.
4. A business entity acting as an insurance producer must obtain an insurance producer license. Application must be made using the uniform business entity application. Before approving the application, the commissioner must find that:
 - a. The business entity has paid the fee set forth in section 26.1-01-07;

- b. The business entity has designated a licensed individual principal insurance producer responsible for the business entity's compliance with the insurance laws, rules, and regulations of this state; and
- c. The individual designated as the licensed principal insurance producer of the business entity has taken the examination required by section 26.1-26-13.2. The business entity may only be licensed for those lines of insurance for which one or more of its principal insurance producers is licensed. The business entity shall inform the commissioner within ten working days of any change in the status of its principal insurance producer or producers.
- d. The commissioner may require any documents reasonably necessary to verify the information contained in an application.

SECTION 3. EFFECTIVE DATE. This Act becomes effective on September 1, 2013.

President of the Senate

Speaker of the House

Secretary of the Senate

Chief Clerk of the House

This certifies that the within bill originated in the Senate of the Sixty-third Legislative Assembly of North Dakota and is known on the records of that body as Senate Bill No. 2304.

Senate Vote: Yeas 47 Nays 0 Absent 0

House Vote: Yeas 89 Nays 3 Absent 2

Secretary of the Senate

Received by the Governor at _____ M. on _____, 2013.

Approved at _____ M. on _____, 2013.

Governor

Filed in this office this _____ day of _____, 2013,

at _____ o'clock _____ M.

Secretary of State