

SENATE BILL NO. 2078
with House Amendments
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Introduced by

Industry, Business and Labor Committee

(At the request of the Insurance Commissioner)

1 A BILL for an Act to create and enact a new subsection to section 26.1-26.7-02 of the North
2 Dakota Century Code, relating to the licensing of insurance producers; and to amend and
3 reenact subsection 2 of section 26.1-02.1-01, subdivision c of subsection 1 of section
4 26.1-26-13.3, sections 26.1-26-33 and 26.1-26-42.1, subdivision c of subsection 1 of section
5 26.1-26.9-03, and subsection 2 of section 26.1-26.9-05 of the North Dakota Century Code,
6 relating to the licensing of insurance producers; and to provide for a legislative management
7 study.

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

9 **SECTION 1. AMENDMENT.** Subsection 2 of section 26.1-02.1-01 of the North Dakota
10 Century Code is amended and reenacted as follows:

11 2. "Business of insurance" means the writing of insurance or the reinsuring of risks by an
12 insurer, including acts necessary or incidental to writing insurance or reinsuring risks
13 and the activities of persons who act as or who are officers, directors, agents,
14 producers, or employees of insurers, or who are other persons authorized to act on
15 their behalf. The term does not include the activities of the North Dakota life and health
16 insurance guaranty association or the North Dakota insurance guaranty association.

17 **SECTION 2. AMENDMENT.** Subdivision c of subsection 1 of section 26.1-26-13.3 of the
18 North Dakota Century Code is amended and reenacted as follows:

19 c. Has paid to the commissioner or the commissioner's designee the fees set forth
20 in section 26.1-01-07; and

21 **SECTION 3. AMENDMENT.** Section 26.1-26-33 of the North Dakota Century Code is
22 amended and reenacted as follows:

1 **26.1-26-33. Notification of address change - Duty of licensee.**

2 Every licensee shall notify the commissioner of any change in the licensee's residential or
3 business address or legal name within thirty days of the change. Notification may occur through
4 the insurance producer database maintained by the national association of insurance
5 producers, its affiliates, or subsidiaries. Any licensee who ceases to maintain residency in this
6 state shall deliver the insurance license to the commissioner by personal delivery or by mail
7 within thirty days after terminating residency.

8 **SECTION 4. AMENDMENT.** Section 26.1-26-42.1 of the North Dakota Century Code is
9 amended and reenacted as follows:

10 **26.1-26-42.1. Revocation of nonresident license.**

11 Notwithstanding the provisions of subsection 13 of section 26.1-26-42, any nonresident
12 license issued pursuant to this chapter may be suspended or revoked without notice and
13 hearing to the licensee and without proceeding in conformity with chapter 28-32, upon evidence
14 ~~in the form of a certified copy that the authority which issued the resident license to~~of the North
15 Dakota nonresident licensee has been revoked or suspended ~~the resident license.~~ This
16 evidence may be in the form of a certified copy or through the insurance producer database
17 maintained by the national association of insurance producers, its affiliates, or subsidiaries.

18 **SECTION 5.** A new subsection to section 26.1-26.7-02 of the North Dakota Century Code is
19 created and enacted as follows:

20 A vendor, and the vendor's employees or authorized representatives, are exempt from
21 the continuing education requirements of section 26.1-26-31.1.

22 **SECTION 6. AMENDMENT.** Subdivision c of subsection 1 of section 26.1-26.9-03 of the
23 North Dakota Century Code is amended and reenacted as follows:

24 c. Provide the actual terms of the self-service storage insurance coverage, or
25 summarize the material terms of the insurance coverage, including:

- 26 (1) The identity of the insurer;
- 27 (2) The identity of the supervising entity, ~~if any~~;
- 28 (3) The amount of any applicable deductible and how the deductible is to be
29 paid;
- 30 (4) Benefits of the coverage; and
- 31 (5) Key terms and conditions of the coverage.

1 **SECTION 7. AMENDMENT.** Subsection 2 of section 26.1-26.9-05 of the North Dakota
2 Century Code is amended and reenacted as follows:

3 2. a. ~~In lieu of providing the information for all officers, directors, and shareholders~~
4 ~~owning more than ten percent of the applicant, the~~The applicant shall provide the
5 name, residential address, and other information required by the commissioner
6 ~~for an employee or officer of the owner or~~the supervising entity designated by the
7 applicant as the person responsible for the owner's compliance with the
8 ~~requirements~~insurance laws, rules, and regulations of this chapter~~state~~. However,
9 if

10 b. If the owner derives more than fifty percent of the owner's revenue from the sale
11 of self-service storage insurance, the names, residential addresses, and other
12 information required ~~under this subsection~~by the commissioner must be provided
13 for all officers, directors, and shareholders of record having beneficial ownership
14 of ten percent or more.

15 **SECTION 8. LEGISLATIVE MANAGEMENT STUDY - WRITTEN CONSENT FOR**
16 **CERTAIN INSURANCE PRODUCERS.** During the 2021-22 interim, the legislative management
17 shall consider studying the process for obtaining written consent under the provisions of the
18 Violent Crime Control and Law Enforcement Act of 1994 codified at 18 U.S.C. Section 1033
19 [Pub. L. 103-322] for individuals otherwise excluded from licensure as insurance producers. The
20 legislative management shall report its findings and recommendations, together with any
21 legislation required to implement the recommendations, to the sixty-eighth legislative assembly.