

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION
SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

2143

2001 SENATE INDUSTRY, BUSINESS AND LABOR

SB 2143

2001 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2143

Senate Industry, Business and Labor Committee

Conference Committee

Hearing Date January 22, 2001

Tape Number	Side A	Side B	Meter #
1	x		0.3 to 10.8
(Jan. 31/01) 3		x	47.1 to end
Committee Clerk Signature <i>Douglas & Peitz</i>			

Minutes:

The meeting was called to order. All committee members present. Hearing was opened on SB 2143 relating to credit insurance.

JIM POOLMAN, ND Insurance Commissioner. In favor of this bill. Show federal government state has strong consumer protection regulations so they won't have to step in to regulate.

VANCE MAGNUSON, ND Insurance Dept. In favor of this bill. Written testimony attached, including proposed amendment.

JIM SCHLOSSER, ND Bankers Assn. In favor of this bill with the amendments.

No testimony against. Hearing closed.

Committee reconvened on January 31/01. (Tape 3-B-47.1 to end).

All members present. Discussion held.

SENATOR KLEIN: Motion to adopt amendments proposed by Insurance Commissioner.

SENATOR MATHERN: Seconded. Roll call vote: 7 yes; 0 no.

Page 2

Senate Industry, Business and Labor Committee

Bill/Resolution Number SB 2143

Hearing Date January 31, 2001.

SENATOR KLEIN: Motion: do pass as amended.

SENATOR KREBSBACH: Seconded.

Roll call vote: 7 yes; 0 no. Carrier: SENATOR TOLLEFSON

Date: 1-31-01
Roll Call Vote #: /

2001 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2143

Senate Industry, Business and Labor Committee

Subcommittee on _____

or

Conference Committee

Legislative Council Amendment Number _____

Action Taken *Adopt*
~~Approve~~ amendments proposed by Ins. Com.

Motion Made By *Sen Klein* Seconded By *Sen Mathern*

Senators	Yes	No	Senators	Yes	No
Senator Mutch - Chairman	✓		Senator Every	✓	
Senator Klein - Vice Chairman	✓		Senator Mathern	✓	
Senator Espgaard	✓				
Senator Krebsbach	✓				
Senator Tollefson	✓				

Total (Yes) 7 No 0

Absent 0

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

To update, introduce new language

Date: 1-31-01
Roll Call Vote #: 2

2001 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2143

Senate Industry, Business and Labor Committee

Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken DPA

Motion Made By Clem Seconded By S. Krebsbach

Senators	Yes	No	Senators	Yes	No
Senator Mutch - Chairman	✓		Senator Every	✓	
Senator Klein - Vice Chairman	✓		Senator Mathern	✓	
Senator Espegard	✓				
Senator Krebsbach	✓				
Senator Tollefson	✓				

Total (Yes) 7 No 0

Absent 0

Floor Assignment S. Tollefson

If the vote is on an amendment, briefly indicate intent: To update and introduce new language

REPORT OF STANDING COMMITTEE

SB 2143: Industry, Business and Labor Committee (Sen. Mutch, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends DO PASS (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2143 was placed on the Sixth order on the calendar.

Page 1, line 1, replace "seclions" with "section" and remove "and 26.1-37-05.1"

Page 1, line 3, after the second comma insert "26.1-37-05,"

Page 1, line 5, remove "26.1-37-05,"

Page 2, line 3, after "use" insert "and on mobile homes"

Page 3, line 12, replace "cover note" with "binder"

Page 3, line 13, remove "memorandum,"

Page 3, line 14, replace "pledged" with "used"

Page 5, replace lines 11 through 31 with:

"SECTION 5. AMENDMENT. Section 26.1-37-05 of the North Dakota Century Code is amended and reenacted as follows:

26.1-37-05. Amount of consumer credit life insurance and credit accident and health insurance.

1.
 - a. Except as otherwise provided in this subsection, the initial amount of credit life insurance may not exceed the total amount repayable under the contract of indebtedness and, ~~where~~ when an indebtedness is repayable in substantially equal installments, the amount of insurance may not exceed the scheduled or actual amount of unpaid indebtedness, whichever is greater. Insurance on agricultural ~~credit transaction loan~~ commitments, not exceeding one year in duration, may be written up to the amount of the loan commitment, on a nondecreasing or level term plan. Insurance on educational ~~credit transaction loan~~ commitments may be written for ~~the amount of the portion of such commitment that has not been advanced by the creditor~~ unpaid indebtedness plus any unused commitment.
 - b. In the absence of any preexisting condition exclusions, the amount of insurance payable in the event of death due to natural causes may be limited to the balance as the balance existed six months before the date of death if:
 - (1) There has been one increase or more in the outstanding balance during the six-month period, other than those due to the accrual of interest or late charges; and
 - (2) Evidence of individual insurability has not been required during the six-month period.
 - c. Other patterns of insurance may be used which are not inconsistent with this subsection including those providing coverage for lease payments or lump sum purchase at the end of the lease.

2.
 - a. The total amount of periodic indemnity payable by credit accident and health insurance or by credit unemployment insurance in the event of disability or unemployment, as defined in the policy, may not exceed the aggregate of the periodic scheduled unpaid installments of the indebtedness gross debt; and the amount of each periodic indemnity payment may not exceed the original indebtedness gross debt divided by the number of periodic installments.
 - b. Notwithstanding subdivision a, for credit accident and health insurance or for credit unemployment insurance written in connection with an open-end credit agreement, the amount of insurance may not exceed the gross debt which would accrue on that amount using the periodic indemnity. Subject to any policy maximums, the periodic indemnity may not be less than the creditor's minimum repayment schedule.
3.
 - a. For credit property insurance sold in conjunction with a closed-end transaction, an insurer may not issue credit property insurance coverage unless the amount financed exceeds three hundred dollars.
 - b. For credit property insurance sold in conjunction with a closed-end transaction, the amount of credit property insurance may not exceed the underlying credit transaction."

Page 6, remove lines 1 through 31

Page 7, remove lines 1 through 29

Page 10, line 7, remove "Prepurchase disclosure."

Page 10, line 15, after "eligibility" insert ", if any"

Page 11, line 12, replace "offer" with "election of coverage"

Page 11, line 27, replace "basis of premium calculation e.g., average daily" with "balance to which the premium rate applies"

Page 11, line 28, remove "balance, prior monthly balance must be specified"

Page 12, line 2, after "debt" insert "or to repair or replace the property"

Page 13, after line 27, insert:

- "11. Credit property insurance coverage, at a minimum, must include the coverages in the standard fire policy with coverage attachment and extended coverage endorsement and must cover a substantial risk of loss of or damage to the property related to the credit transaction."

Page 16, line 21, remove "26.1-37-05,"

Renumber accordingly

2001 HOUSE INDUSTRY, BUSINESS AND LABOR

SB 2143

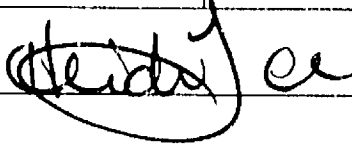
2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2143

House Industry, Business and Labor Committee

Conference Committee

Hearing Date March 12, 2001

Tape Number	Side A	Side B	Meter #
1		X	18.8-35.6
Committee Clerk Signature 			

Minutes: Chairman R. Berg, Vice-Chair G. Keiser, Rep. M. Ekstrom, Rep. P. Froelich, Rep. G. Froseth, Rep. R. Jensen, Rep. N. Johnson, Rep. J. Kasper, Rep. M. Klein, Rep. Koppang, Rep. D. Lemieux, Rep. B. Pietsch, Rep. D. Ruby, Rep. D. Severson, Rep. E. Thorpe.

Vance Magnuson: *ND Insurance Dept.* **Written testimony.**

Chairman Berg: What section is the most important?

Magnuson: The chapter credit section.

Rep. Jensen: Why such an interest?

Magnuson: (24.7) It was prepared as a department bill. Both net and gross are covered by life.

Rep. Ekstrom: This would limit total payments?

Magnuson: With a loan that was a line of credit.

Rep. Kasper: Is there a penalty clause for credit insurance?

Magnuson: General penalties would apply as defined in chapter 26.1.04.

Rep. Froseth: How are premiums determined with new products?

Page 2
House Industry, Business and Labor Committee
Bill/Resolution Number SB 2143
Hearing Date March 12, 2001

Magnuson: Administrative rules dictate procedure of premiums.

Chairman Berg: We'll close the hearing on SB 2143

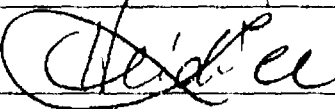
2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2143(B)

House Industry, Business and Labor Committee

Conference Committee

Hearing Date March 14, 2001

Tape Number	Side A	Side B	Meter #
2	X		36.9-40.9
Committee Clerk Signature 			

Minutes: Chairman R. Berg, Vice-Chair G. Keiser, Rep. M. Ekstrom, Rep. R. Froelich, Rep. G. Froseth, Rep. R. Jensen, Rep. N. Johnson, Rep. J. Kasper, Rep. M. Klein, Rep. Koppang, Rep. D. Lemieux, Rep. B. Pietsch, Rep. D. Ruby, Rep. D. Severson, Rep. E. Thorpe.

Rep. Froseth: Explained the bill.

Rep. Kasper: There are penalties for violation of this.

Rep. M. Klein: I move a do pass.

Rep. Severson: I second.

h

15 yea, 0 nay, 0 absent Carrier Rep. Froseth

Date: 3-14-01
Roll Call Vote #: 1

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. SB 2143

House Industry, Business and Labor Committee

Legislative Council Amendment Number _____

Action Taken Do Pass

Motion Made By M. Klein Seconded By Severson

Representatives	Yes	No	Representatives	Yes	No
Chairman- Rick Berg	✓		Rep. Jim Kasper	✓	
Vice-Chairman George Keiser	✓		Rep. Matthew M. Klein	✓	
Rep. Mary Ekstorm	✓		Rep. Myron Koppang	✓	
Rep. Rod Froelich	✓		Rep. Doug Lemieux	✓	
Rep. Glen Froseth	✓		Rep. Bill Pietsch	✓	
Rep. Roxanne Jensen	✓		Rep. Dan Ruby	✓	
Rep. Nancy Johnson	✓		Rep. Dale C. Severson	✓	
			Rep. Elwood Thorpe	✓	

Total (Yes) 15 No 0

Absent 0

Floor Assignment Rep Froseth

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE (410)
March 14, 2001 2:42 p.m.

Module No: HR-44-5627
Carrier: Froseth
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

SB 2143, as engrossed: Industry, Business and Labor Committee (Rep. Berg, Chairman) recommends DO PASS (15 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed SB 2143 was placed on the Fourteenth order on the calendar.

