

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION

SFN 2053 (2/85) 3M



ROLL NUMBER

DESCRIPTION

2144

2001 SENATE INDUSTRY, BUSINESS AND LABOR

SB 2144

2001 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB2144

Senate Industry, Business and Labor Committee

Conference Committee

Hearing Date January 22, 2001

Tape Number	Side A	Side B	Meter #
1	x		15.0 to 30
Jan. 31/01 3		x	39.2 to 47
Mar. 28/01 1	x		12.5 to 25.3
Committee Clerk Signature <i>Dora B Perez</i>			

Minutes:

The meeting was called to order. All committee members present. Hearing was opened on SB2144 relating to relating to the licensing of insurance producers and to provide a penalty.

LAURIE WOLF, Director of Licensing and Investigations, ND Ins. Dept. Supports this bill.

Written testimony attached. Amendment included.

PAT WARD, ACLI, NAIL, SF, ND Domestic. Strongly support this bill

TERRY WEISS, ND Assn. of Insurance and Financial Advisors. Support this bill. A very reasonable approach.

JIM POOLMAN, ND Insurance Commissioner. Written testimony in favor attached.

JACK MCDONALD, ND Newspaper Assn. Written testimony in favor attached.

LARRY E. KIBBE, VP. Alliance of American Insurers. Support this bill. Written testimony attached.

J. BRUCE FERGUSON, Deputy VP, ACLI, Written testimony attached. Support this bill.

Page 2

Senate Industry, Business and Labor Committee

Bill/Resolution Number SB2144

Hearing Date January 22, 2001.

No opposing testimony. Hearing closed.

Jan. 31/01. Tape 3-B-39.2 to 47. Committee reconvened. All members present. Discussion held with Laurie Wolf regarding proposed amendments.

J MCDONALD: All our questions have been answered in amendments.

SENATOR KLEIN: Motion: do pass on amendments. SENATOR ESPEGARD: Second.

Roll call vote: 7 yes; 0 no. Motion carried.

SENATOR ESPEGARD: Move do pass as amended. SENATOR TOLLEFSON: second.

Roll call vote: 7 yes; 0 no. Motion carried. Carrier: SENATOR KLEIN.

Page 3

Senate Industry, Business and Labor Committee
Bill/Resolution Number SB2144
Hearing Date January 22, 2001.

March 28/01 Tape 1-A-12.5 to 25.3

Committee reconvened. All members present. Committee studied and discussed House amendments.

Laurie Wolf, ND Insurance Dept., House amendments are due to the fact that when the NAIC legal team reviewed the bill, they felt some technical changes were needed throughout the code for reciprocity and conformity with GLB. Amendments were set out with division a (Representative Kaspers', failed) and b, which were the ones we presented and passed the House unanimously. Most were needed technical corrections and language clarifications.

Senator Klein: Page 32 line 20, was that already there?

L Wolf: It was already in the bill that passed the Senate. Because it was in a certain section that would have caused problems with reciprocity, we moved it and had to call it "continuation fee" and not tie it to continued education requirements.

Jim Poolman, ND Insurance Commissioner. NAIC reviewed the bill to make sure it is GLB compliant. Some of the other changes are compromise with the industry, for example child support and non payment of taxes. Industry agents were concerned we would have too much authority to tamper with a license, the administrative order was of concern to them. Even if facts were in dispute, the administrative order would allow us to take action, they wanted to tighten that up a bit. Some of the fees were not necessarily GLB compliant so we had to move them and basically change what we call them. These are basically benign amendments and don't change the substance of the bill.

Senator Klein: Motion to concur. **Senator Krebsbach:** Second.

Roll call vote: 7 yes; 0 no. Motion carried. Floor assignment: **Senator Klein.**

FISCAL NOTE
 Requested by Legislative Council
 12/26/2000

Bill/Resolution No.: SB 2144

Amendment to:

1A. State fiscal effect: *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	1999-2001 Biennium		2001-2003 Biennium		2003-2005 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0	\$0	\$0	\$0	\$0	\$0
Expenditures	\$0	\$0	\$0	\$0	\$0	\$0
Appropriations	\$0	\$0	\$0	\$0	\$0	\$0

1B. County, city, and school district fiscal effect: *Identify the fiscal effect on the appropriate political subdivision.*

1999-2001 Biennium			2001-2003 Biennium			2003-2005 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

2. Narrative: *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

No financial impact on agency appropriation is anticipated.

3. State fiscal effect detail: *For information shown under state fiscal effect in 1A, please:*

A. Revenues: *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

B. Expenditures: *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

C. Appropriations: *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

Name:	Charles E. Johnson	Agency:	Insurance Department
Phone Number:	328-2440	Date Prepared:	12/28/2000

VJR
3/22/01
1082

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2144

Page 14, line 24, remove "insurance producers" and overstrike "- Residence requirements" and insert immediately thereafter "insurance producers"

Page 14, line 25, overstrike "residents of this state and must"

Page 14, line 26, overstrike "be"

Page 16, line 30, overstrike "resident"

Page 17, line 20, overstrike "resident"

Page 18, line 27, overstrike "negotiated with and"

Page 27, line 25, replace "Employees" with "An employee" and replace "respond" with "responds"

Page 27, line 26, remove "those"

Page 27, line 27, replace "employees are" with "employee is"

Page 27, line 28, after "services" insert "and provided that employee does not sell, solicit, or negotiate insurance"

Page 32, after line 20, insert:

"6. A nonresident insurance producer shall pay a biennial continuation fee of twenty-five dollars."

Page 44, line 26, after "licensee" insert "knowingly" and replace "an administrative or" with "a"

Page 44, line 28, after "licensee" insert "knowingly" and replace "any" with "a"

Page 44, line 29, remove "administrative or"

Page 45, line 17, replace "of the initial pretrial hearing date" with "after a criminal conviction"

Page 45, line 18, replace "prosecution" with "conviction"

Page 45, line 20, replace "resulting from" with "issued by" and replace "hearing" with "court"

Page 45, line 26, replace "26.1-26-20.1" with "26.1-26-20"

Page 46, line 2, remove "However, a nonresident insurance producer shall pay a"

Page 46, remove lines 3 and 4

Page 50, line 25, overstrike "Resident insurance" and after "agents" insert "insurance"

Renumber accordingly

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

2001 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2144

Senate Industry, Business and Labor Committee

Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken Adopt amendments by Insurance Dept

Motion Made By S Klein Seconded By S Espgaard

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:
Technicalities overlooked

REPORT OF STANDING COMMITTEE

SB 2144: 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 2144 was placed on the Sixth order on the calendar.

Page 1, line 3, after "reenact" insert "subdivision n of subsection 1 of section 10-04-11,"

Page 2, after line 20, insert:

"SECTION 1. AMENDMENT. Subdivision n of subsection 1 of section 10-04-11 of the 1999 Supplement to the North Dakota Century Code is amended and reenacted as follows:

- n. Is the subject of an order entered by the insurance administrator of any state denying or revoking registration as an ~~agent, broker~~ insurance producer, consultant, or the substantial equivalent of those terms as defined in section 26.1-26-02."

Page 3, line 31, overstrike "broker,"

Page 8, line 13, remove "producer" and overstrike ", limited insurance representative," and insert immediately thereafter "producer"

Page 30, line 13, after "licensed" insert "individual"

Page 36, line 10, overstrike the comma and insert immediately thereafter "and"

Page 36, line 12, overstrike ", and whose commissions from new"

Page 36, line 13, overstrike "business each year do not exceed ten thousand dollars"

Page 40, line 15, after "commissioner" insert an underscored comma

Page 40, line 16, remove "by law" and remove ", is not subject to section 6 of"

Page 40, line 17, remove "article XI of the Constitution of North Dakota and chapter 44-04"

Page 41, line 22, remove "pursuant to section 6 of article XI of the Constitution of"

Page 41, line 23, remove "North Dakota and chapter 44-04"

Page 44, line 25, replace "producer" with "producer's license"

Renumber accordingly

2001 HOUSE INDUSTRY, BUSINESS AND LABOR

SB 2144

