

2023 SENATE INDUSTRY AND BUSINESS

SB 2055

2023 SENATE STANDING COMMITTEE MINUTES

Industry and Business Committee Fort Union Room, State Capitol

SB 2055
1/4/2023

Relating to the withdrawal of producer licensing applications; relating to the contents of producer licenses, producer notification of electronic mail address changes, automobile rental company staff soliciting insurance, and the renewal of public adjuster and life settlement licenses; relating to physical copies of a producer's license.

2:28 AM Chairman D. Larsen called the meeting to order.

Members Present: Chairman D. Larsen, Vice Chairman Kessel, Sen. Barta, Sen. Boehm, and Sen. Klein. Members absent: None

Discussion Topics:

- Producer licensing
- Identification numbers
- Cross-reference correction
- Application fee

2:28 AM John Arnold, Deputy Insurance Commissioner, North Dakota Insurance Department, Testified on behalf of Commissioner Godfread in favor of SB 2055. Testimony #12363.

Senator Barta moved Do Pass
Seconded by Senator Klein

| Senators | Vote |
|---------------------|------|
| Senator Doug Larsen | Y |
| Senator Greg Kessel | Y |
| Senator Jeff Barta | Y |
| Senator Keith Boehm | Y |
| Senator Jerry Klein | Y |

Vote 5 yes, 0 No, 0 Absent

Chairman D. Larsen will carry the bill

2:47 AM Chairman D. Larsen adjourned the meeting

Brenda Cook, Committee Clerk

REPORT OF STANDING COMMITTEE

SB 2055: Industry and Business Committee (Sen. Larsen, Chairman) recommends **DO PASS** (5 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2055 was placed on the Eleventh order on the calendar. This bill does not affect workforce development.

2023 HOUSE INDUSTRY, BUSINESS AND LABOR

SB 2055

2023 HOUSE STANDING COMMITTEE MINUTES

Industry, Business and Labor Committee Room JW327C, State Capitol

SB 2055
3/6/2023

Relating to the contents of producer licenses, producer notification of electronic mail address changes, automobile rental company staff soliciting insurance, and the renewal of public adjuster and life settlement licenses; and to repeal sections 26.1-26-37 and 26.1-26-46 of the North Dakota Century Code, relating to physical copies of a producer's license.

Chairman Louser called meeting to order 10:00 AM

Members Present: Chairman Louser, Vice Chairman Ostlie, Representatives Boschee, Christy, Dakane, Johnson, Koppelman, Ruby, Schauer, Thomas, Tveit, Wagner, Warrey.

Members absence: Representative Kasper

Discussion Topics:

- Annual issuance workload
- 20-day response to each question

In Favor:

John Arnold, Deputy Insurance Commissioner, ND Insurance Department, #21408

Representative Thomas moved a do pass.
Representative Christy seconded.

Roll call vote:

| Representatives | Vote |
|--------------------------------|------|
| Representative Scott Louser | Y |
| Representative Mitch Ostlie | Y |
| Representative Josh Boschee | Y |
| Representative Josh Christy | Y |
| Representative Hamida Dakane | Y |
| Representative Jorin Johnson | Y |
| Representative Jim Kasper | AB |
| Representative Ben Koppelman | Y |
| Representative Dan Ruby | Y |
| Representative Austen Schauer | Y |
| Representative Paul J. Thomas | Y |
| Representative Bill Tveit | Y |
| Representative Scott Wagner | Y |
| Representative Jonathan Warrey | Y |

Motion passed 13-0-1

House Industry, Business and Labor Committee

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Representative Ostlie will carry the bill.

Chairman Louser adjourned the meeting 10:11 AM

Diane Lillis, Committee Clerk

REPORT OF STANDING COMMITTEE

SB 2055: Industry, Business and Labor Committee (Rep. Louser, Chairman)
recommends **DO PASS** (13 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). SB
2055 was placed on the Fourteenth order on the calendar.

TESTIMONY

SB 2055

SENATE BILL NO. 2055

Presented by: **John Arnold**
 Deputy Insurance Commissioner
 North Dakota Insurance Department

Before: **Senate Industry and Business Committee**
 Senator Doug Larsen, Chairman

Date: **January 4, 2023**

Good afternoon, Chairman Larsen and members of the Committee. My name is John Arnold, Deputy Insurance Commissioner. I stand before you today on behalf of Commissioner Godfred in support of Senate Bill 2055, which is an agency bill addressing a number of matters related to producer licensing. As some of you may know, the Department prioritizes a continual review of our processes and procedures with the goal of continual improvement. SB 2055 is an example of a product of our internal reviews.

Section one of the bill allows the Department to deem an application for a producer license to be withdrawn when the applicant fails to respond to questions within twenty days. Currently, when applicants fail to respond the Department has two choices, either keep the application in a pending status for an indefinite period of time or denial of the application. A denial is considered an administrative action that can lead to future complications for applicants. Allowing the Department to withdraw an application means that the steepest penalty an applicant will face is repayment of the application fee if they decide to reapply in the future.

Section two removes the Social Security Number and Internal Revenue Service identification number from a producer's license. While this information remains in the producer licensing database for identification purposes, it is being removed from the representation of the license to help protect the producer's identity.

Section three requires producers to update their email addresses with the Department when those change.

Section four corrects a cross-reference that was broken by an amendment made to 26.1-26-13.3 in SB 2304 during the 63rd Legislative Assembly.

Section five reduces the application fee for business entities acting as public adjustors to \$50, to be uniform with the fee paid by individuals.

Section six changes the renewal deadline for business entities acting as public adjustors to expire on the last day of the month following the two-year anniversary of issuance, making it uniform with other producer license renewal deadlines, including individuals acting as public adjustors.

Sections seven and eight amend the renewal deadlines for life settlement brokers and life settlement providers from the annual anniversary of license issuance to April 30th each year. This makes these license renewal deadlines the same as third-party administrators.

Section nine repeals sections 26.1-26-37 and 26.1-26-46 of the Century Code. Both of these sections relate to physical copies of a producer's license that used to be issued by the Department. However, the Department now issues digital copies of the license that a producer always has access to online, meaning that the Department no longer needs to charge a fee for replacement or request that they to be returned after a suspension or revocation.

Thank you, Chairman Larsen and members of the committee. I respectfully request a "do pass" recommendation from the committee and am happy to answer any questions that you may have.

26.1-26-37. Lost, stolen, or destroyed license - Issuance of duplicate.

Upon payment of the fee for a duplicate license under section 26.1-01-07, the commissioner may issue a duplicate license for any lost, stolen, or destroyed license issued pursuant to this chapter upon an affidavit of the licensee, as prescribed by the commissioner, concerning the facts of the loss, theft, or destruction.

26.1-26-46. License suspension or revocation - Duty of licensee.

Upon suspension or revocation of a license, the licensee shall forthwith deliver it to the commissioner by personal delivery or by mail.

SENATE BILL NO. 2055

Presented by: **John Arnold**
 Deputy Insurance Commissioner
 North Dakota Insurance Department

Before: **House Industry, Business and Labor Committee**
 Representative Scott Louser, Chairman

Date: **March 1, 2023**

Good morning, Chairman Louser and members of the Committee. My name is John Arnold, Deputy Insurance Commissioner. I stand before you today on behalf of Commissioner Godfread in support of Senate Bill 2055, which is an agency bill addressing a number of matters related to producer licensing. As some of you may know, the Department prioritizes a continual review of our processes and procedures with the goal of continual improvement. SB 2055 is an example of a product of our internal reviews.

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