

2023 SENATE INDUSTRY AND BUSINESS

SB 2143

2023 SENATE STANDING COMMITTEE MINUTES

Industry and Business Committee Fort Union Room, State Capitol

SB 2143

1/11/2023

Relating to the publication of the abstract of an insurance company annual statement.

11:14 AM Chairman D. Larsen called the meeting to order.

Members Present: Chairman Larsen, Vice Chairman Kessel, Senator Barta, Senator Klein, Senator Boehm.

Discussion Topics:

- Abstract publications
- Digital copies
- Website availability
- Newspaper publications
- Source of income

11:15 AM Senator Mark Weber, District 22, introduced SB 2143.

11:18 AM John Godfread, Insurance Commissioner, ND Insurance Department, testified in support of SB 2143. #12886

11:32 AM Ryan Dreger, Manager/Secretary Treasurer of Dundee Mutual Insurance Company, testified in support of SB 2143. #12829

11:36 AM Jack MacDonald on behalf of the ND Newspaper Association testified in opposition. #12856

11:56 AM Amy Dalrymple, Editor of the Bismarck Tribune and Mandan News and Past President of North Dakota Newspaper Association, testified verbally in opposition.

Additional written testimony:

Brenda Doll, Executive Secretary of the ND Association of Farm Mutual Insurance Companies #12793

12:02 PM Chairman Larsen closed the hearing.

12:03 PM Chairman Larsen adjourned the meeting.

Brenda Cook, Committee Clerk

2023 SENATE STANDING COMMITTEE MINUTES

Industry and Business Committee Fort Union Room, State Capitol

SB 2143
1/11/2023

Relating to the publication of the abstract of an insurance company annual statement.

3:20 PM Chairman D. Larsen called the meeting to order.

Members Present: Chairman Larsen, Vice Chairman Kessel, Senator Barta, Senator Boehm, and Senator Klein. Members Absent 0

Discussion Topics:

- Newspaper publication
- Potential exclusions
- Internet access
- Electronic availability
- Possible amendments

3:29 PM Chairman D. Larsen gave a summary of the bill and called for discussion.

Committee discussed.

3:41 PM Chairman Larsen adjourned the meeting.

Brenda Cook, Committee Clerk

2023 SENATE STANDING COMMITTEE MINUTES

Industry and Business Committee Fort Union Room, State Capitol

SB 2143
1/17/2023

A bill relating to the publication of the abstract of an insurance company annual statement.
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11:34 AM Chairman D. Larsen called the meeting to order. Members present: Chairman D. Larsen, Vice Chairman Kessel, Senator Barta, Senator Klein, Senator Boehm.

Discussion Topics:

- Publication of abstract
- Committee action

11:40 AM Senator Klein moved to adopt amendment LC 23.0604.01001.

11:40 AM Senator Barta seconded.

Roll call vote:

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

Vote: 5-0-0

11:45 AM Senator Barta moved to DO PASS as Amended.

Senator Kessel seconded the motion to DO PASS as Amended.

Roll call vote:

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

Vote 5-0-0

Senator Klein will carry SB 2143.

Additional Testimony: Jack McDonald #26849

11:45 AM Chairman Larsen adjourned the meeting.

Brenda Cook, Committee Clerk

January 17, 2023

PROPOSED AMENDMENTS TO SENATE BILL NO. 2143

Page 1, remove the overstrike over lines 9 through 11

Page 1, line 12, remove the overstrike over "~~state in which the company has an agency.~~"

Page 1, line 15, remove the overstrike over "~~The certificate of authority~~"

Page 1, remove the overstrike over lines 16 through 18

Page 1, line 19, remove the overstrike over "~~the commissioner within four months after the filing
of the annual statement.~~"

Renumber accordingly

AR
1-17-2023
1 OK

REPORT OF STANDING COMMITTEE

SB 2143: Industry and Business Committee (Sen. Larsen, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (5 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2143 was placed on the Sixth order on the calendar. This bill does not affect workforce development.

Page 1, remove the overstrike over lines 9 through 11

Page 1, line 12, remove the overstrike over "~~state in which the company has an agency.~~"

Page 1, line 15, remove the overstrike over "~~The certificate of authority~~"

Page 1, remove the overstrike over lines 16 through 18

Page 1, line 19, remove the overstrike over "~~the commissioner within four months after the filing of the annual statement.~~"

Renumber accordingly

2023 HOUSE INDUSTRY, BUSINESS AND LABOR

SB 2143

2023 HOUSE STANDING COMMITTEE MINUTES

Industry, Business and Labor Committee
Room JW327C, State Capitol

SB 2143
3/14/2023

Relating to the publication of the abstract of an insurance company annual statement.

Chairman Louser called meeting to order 8:00 AM

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

Discussion Topics:

- Abstracts published in newspapers
- Abstracts published online
- Electronic copies vs. newspapers
- Benefits of each method

In Favor:

Senator Mark Weber, District 22, Casselton, ND, with proposed amendment, 25211, LC #23.0604.02001

Jon Godfread, Commissioner, ND Insurance Department, #24545

Matt Fisher, ND Insurance Department, Continuing testimony, #24545

Ryan Dreger, Manager/Secretary Treasurer of Dundee Mutual Insurance Company, #25209

Paula Schuh, Manager/Secretary Treasurer of Griggs Nelson Mutual Insurance Company, #25210

Megan Houn, Blue Cross/Blue Shield of ND (no written testimony)

Additional written testimony:

Jack McDonald, ND Newspaper Association, #24693

Amy Wobbema, President, ND Newspaper Association, #24675

Brenda Doll, Executive Secretary, ND Association Farm Mutual Insurance #24631

Chairman Louser adjourned the meeting 8:36 AM

Diane Lillis, Committee Clerk

2023 HOUSE STANDING COMMITTEE MINUTES

Industry, Business and Labor Committee Room JW327C, State Capitol

SB 2143
3/14/2023

Relating to the publication of the abstract of an insurance company annual statement.

Chairman Louser called meeting to order 3:56 PM

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

Discussion Topics:

- Publishing abstracts in local newspapers
- Insurance companies filing
- State and Mutual abstracts
- Publishing online vs. newspapers

John Arnold, Deputy Commissioner, ND Insurance Department, proposed amendment, #25217.

Matt Fisher, ND Insurance Department (no written testimony)

Representative Koppelman moved to adopt the amendment.

Representative Thomas seconded.

Roll call vote:

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

Motion passed 7-6-1

Representative Ruby moved a do pass as amended.

Representative Thomas seconded.

Roll call vote:

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

Motion passed 7-6-1

Representative Thomas will carry the bill.

Chairman Louser adjourned the meeting 4:19 PM

Diane Lillis, Committee Clerk

March 14, 2023

3-14-23

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2143

Page 1, overstrike lines 9 through 11

Page 1, line 12, overstrike "state in which the company has an agency."

Page 1, line 15, overstrike "The certificate of authority"

Page 1, overstrike lines 16 through 18

Page 1, line 19, overstrike "the commissioner within four months after the filing of the annual statement."

Renumber accordingly

REPORT OF STANDING COMMITTEE

SB 2143, as engrossed: Industry, Business and Labor Committee (Rep. Louser, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends DO PASS (7 YEAS, 6 NAYS, 1 ABSENT AND NOT VOTING). Engrossed SB 2143 was placed on the Sixth order on the calendar.

Page 1, overstrike lines 9 through 11

Page 1, line 12, overstrike "state in which the company has an agency."

Page 1, line 15, overstrike "The certificate of authority"

Page 1, overstrike lines 16 through 18

Page 1, line 19, overstrike "the commissioner within four months after the filing of the annual statement."

Renumber accordingly

TESTIMONY

SB 2143

SENATE BILL 2143

TESTIMONY BY: BRENDA DOLL, EXECUTIVE SECRETARY OF THE NORTH DAKOTA ASSOCIATION OF FARM MUTUAL INSURANCE COMPANIES BEFORE THE ND SENATE INDUSTRY AND BUSINESS COMMITTEE

CHAIRMAN LARSEN, VICE CHAIRMAN KESSEL AND MEMBERS OF THE INDUSTRY AND BUSINESS COMMITTEE:

MY NAME IS BRENDA DOLL, EXECUTIVE SECRETARY OF THE NORTH DAKOTA ASSOCIATION OF FARM MUTUAL INSURANCE COMPANIES. I ALSO HAVE 38 YEARS OF EXPERIENCE IN THE COUNTY MUTUAL INSURANCE BUSINESS. THANK YOU FOR THE OPPORTUNITY TO APPEAR BEFORE YOU TODAY, AND TO ASK FOR YOUR SUPPORT FOR SB 2143.

THE CHANGES ARE TO AMEND SEC 26. 1-03-10 OF THE NORTH DAKOTA CENTURY CODE. THIS CODE ACTUALLY DATES BACK TO 1885, WAS AMENDED 11 TIMES BETWEEN 1885 AND 1943, ALONG WITH A VERY MINOR WORD CHANGE IN 1983. IN 1983 NDCC 26.07-08 WAS REPEALED AND REPLACED WITH NDCC 26.1-03-10.

THE ONLY STIPULATION FOR PUBLICATION OF COUNTY MUTUAL ABSTRACTS IS THAT IT MUST BE PUBLISHED AT LEAST ONCE IN A NEWSPAPER IN THE COUNTY WHERE THE COMPANY HAS ITS PRINCIPAL PLACE OF BUSINESS, A NEWSPAPER DESIGNATED BY THE MEMBERS OF THE COMPANY. THE ISSUE IS THAT YOU DON'T KNOW WHAT DAY IT WILL BE PUBLISHED, SO CONSUMERS COULD MISS IT. FOR EXAMPLE, IF YOU ARE A MEMBER OF SOUTHWEST MUTUAL INSURANCE COMPANY OF NEW SALEM, BUT YOUR RESIDENCE IS IN BISMARCK, YOU WOULD MOST LIKELY LOOK FOR THE ABSTRACT IN THE BISMARCK TRIBUNE BUT THE ABSTRACT IS PUBLISHED IN THE NEW SALEM JOURNAL. WITH THE ABSTRACTS ALL AVAILABLE FREE OF CHARGE ON THE NORTH DAKOTA INSURANCE DEPARTMENT WEBSITE, THIS WOULD NOT BE AN ISSUE.

COUNTY MUTUAL INSURERS PAY ANNUALLY FOR ABSTRACT PUBLICATION, AND THE ANNUAL COST ASSOCIATED WITH ABSTRACT PUBLICATION IS PASSED ON TO THE COMPANY POLICYHOLDERS. WITH THE ABSTRACTS AVAILABLE FREE OF CHARGE TO ANYONE ON THE NORTH DAKOTA INSURANCE DEPARTMENT WEBSITE, NDCC 26.1-03-10 NEEDS TO BE UPDATED.

I RESPECTFULLY ASK FOR A DO PASS ON SB 2143.

THANK YOU

SENATE BILL 2143

TESTIMONY BY RYAN DREGER, MANAGER/SECRETARY TREASURER OF
DUNDEE MUTUAL INSURANCE COMPANY.

CHAIRMAN LARSEN, VICE CHAIRMAN KESSEL AND MEMBERS OF THE
COMMITTEE:

MY NAME IS RYAN DREGER, MANAGER/SECRETARY TREASURER FOR DUNDEE
MUTUAL INSURANCE COMPANY LOCATED IN PARK RIVER, ND. I HAVE BEEN
WITH THE COMPANY FOR OVER 7 YEARS AND SEEN SIGNIFICANT BUSINESS
CHANGES DURING THIS BRIEF AMOUNT OF TIME. OUR COMPANY IS ONE OF
10 COUNTY MUTUALS THAT PROVIDE PROPERTY/CASUALTY INSURANCE IN
OUR STATE. I AM HERE TODAY TO ASK FOR YOUR SUPPORT FOR SB 2143.

THE PROPOSED CHANGES WE ARE REQUESTING ARE TO AMMEND SEC 26.1-
03-10 OF THE NORTH DAKOTA CENTURY CODE WHICH WERE WRITTEN
SEVERAL YEARS AGO. WE HOPE THESE CHANGES WILL HELP US KEEP UP
WITH CHANGING TIMES.

AT THE TIME THESE SECTIONS OF THE CENTURY CODE WERE WRITTEN, PRINT WAS THE ONLY OPTION TO PROVIDE THE PUBLIC OUR COMPANY'S FINANCIAL INFORMATION. THE COST ASSOCIATED WITH PUBLISHING OUR INFORMATION IN THE NEWSPAPER ARE PASSED ON TO OUR POLICYHOLDERS IN THE FORM OF PREMIUMS OR POLICY FEES. OUR POLICYHOLDERS MAY ASK FOR OUR FINANCIAL INFORMATION, WHICH WE PROVIDE FREE OF COST AT ANY TIME.

THE NEED FOR UPDATING THIS OUTDATED PORTION OF THE CENTURY CODE WILL HELP US CONTINUE TO GROW, AND WITH THE HELP OF THE NORTH DAKOTA INSURANCE DEPARTMENT PROVIDING OUR INFORMATION FREE OF CHARGE, HELP US BECOME MORE EFFICIENT AND ALLOW US OFFER COMPETITIVE RATES AND PRODUCTS WITHIN OUR STATE.

CHAIRMAN LARSEN AND MEMBERS OF THE COMMITTEE, I RESPECTFULLY ASK FOR A DO PASS ON SB 2143.

THANK YOU.

Wednesday, January 11, 2023

Senate Industry, Business & Labor Committee SB 2143
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CHAIRMAN LARSEN AND COMMITTEE MEMBERS:

My name is Jack McDonald. I'm appearing on behalf of the North Dakota Newspaper Association (NDNA). We oppose SB 2143.

First, there has been no great demand for this bill as far as NDNA is concerned. It was first enacted in much the form it is in today in 1895 as part of North Dakota's Revised Code, just six years after statehood, and has been on the books since then. It was renumbered a bit in 1983 as part of a massive revision of the Insurance Code and has been unchanged since then.

So why do we need to change it now? Our state's Founding Fathers felt citizens needed to know basic information about the insurance companies that serve them. These publications are paid for by the insurance companies – by and large out of state corporations. This is out-of-state money being invested in small North Dakota businesses.

Let's take a random look at some of the totals. In 2022, The Mandan News received \$4,888.65 and The Bismarck Tribune \$4,944.13. The Cass County Reporter received \$4,721.43. The Grand Forks Herald \$9,777.30. The New Rockford Transcript \$5,526.30. The four newspapers in Nelson County – The Aneta Star, The Lakota American, The McVillage Messenger and The Nelson County Arena - \$39,321.75.

Three North Dakota weekly newspapers closed last year. There are now three communities that will no longer see their kid's graduation pictures in the local newspaper. Or see local sports stories or high school honor awards. They won't see stories about their city and county commissions, or what their local legislators are doing.

The total revenue lost to North Dakota newspapers by this bill would be \$574,285.10 - \$507,892.73 to North Dakota's weekly papers and \$66,392.37 to the dailies. It will surely lead to more North Dakota small businesses – local newspapers – shutting their doors.

If these insurance abstracts are not published where they do business then where will they be? They will be tucked away some place on the Insurance Commissioner's web page.

I'm sure most North Dakotans, whether in Fessenden, Mandan, Grand Forks or Belfield, sit down at their morning breakfast and coffee, and then say, "Gee, I'd like to scroll through the Insurance Commissioner's web page this morning just see what's new.

You know that's not going to happen. These abstracts will be tucked away where they are likely not to be seen by anybody except other insurance companies and agents, and not North Dakota citizens.

NDNA respectfully requests that you give this bill a DO NOT PASS.

Thank you for your time and consideration. I'd be happy to answer any questions.

SENATE BILL NO. 2143

Presented by: **Jon Godfread**
 Insurance Commissioner
 North Dakota Insurance Department

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

Date: **January 11, 2023**

Good morning, Chairman Larsen and members of the Committee. For the record, my name is Jon Godfread, Insurance Commissioner. I stand before you today in support of Senate Bill 2143, which is a policy bill that stems from the language brought forth by the Insurance Department last legislative session.

This bill would eliminate the need for insurance companies to have published an abstract of the annual statement that they file with the Department. Currently, this abstract must be published three times in one newspaper of general circulation in each judicial district in which the company conducts business, or once in the county of the principal place of business for a state or a county mutual. Our understanding is the publication of the abstract information is at the discretion of the newspaper, meaning the consumer would not know what day their company's information will be published.

In addition, if you are a consumer with a state or county mutual and you do not live in the same county as the principal place of business as your insurance company, the abstract is not printed in a newspaper that you likely have access. For example, if a policyholder lives in Bismarck and has coverage with the county mutual located in New Salem, that abstract may only be printed in the New Salem Journal or the Mandan News and not the Bismarck Tribune. Under both scenarios above, if you don't subscribe to the newspaper that is selected to fulfill this publication requirement, it is likely you will never see the abstract of your insurance company. As an alternative, the Department is suggesting that this abstract be made available solely on our website.

The North Dakota Newspaper Association keeps an archive of abstracts published in newspapers within the state, which the NDNA noted during the last legislative session. The Department's website also has a free abstract search function but is updated whenever a company submits its abstract. The NDNA's archive is only updated when a newspaper publishes an abstract, which can happen at the newspaper's discretion. Newspapers are businesses. Abstracts can be kicked down the road if the paper runs out of room or a more lucrative offer comes their way. We searched that archive and found that the abstract for one of the state's largest domestic property and casualty insurers appears to have been published in only one newspaper for 2019, 2020, and 2021. This abstract should have been published in numerous other newspapers since the company operates across the state. The abstract could have been published in multiple newspapers, and the NDNA website may be out-of-date, which is a problem. If the archive is a true representation of what was printed, it shows many papers failed to publish these abstracts. Additionally, our search function contains fewer steps and is more up-to-date than the NDNA's website.

Since the last legislative session, we have made abstracts more accessible to those who want them. We pulled website analytics from the Department's website. Our data shows that in the past seven months of having the information on our website in 2022, we had 215 visits to the webpage where the public can search for abstracts. That's only a mere fraction of the total number of visitors we receive in a month, even a week, let alone seven months. During the first week of January, we had over two-thousand visitors to our website. During the month of December, over sixty-five hundred visitors. The information is readily available to the public on the Department's website; however, the public isn't going to our website or the newspapers for this information. They're most likely going to call our office, or the insurance companies themselves.

I have brought copies of both the abstract available on our website and a copy of one from a newspaper publication. As you can see the information on the abstract is limited to a just a few points of financial information. If a member of the public wants the entire annual statement, which includes over 200 pages of financial information, they can request a free electronic copy from our office.

We believe the access to the public through our website is purposeful enough and reduces an expense to insurance companies, which is ultimately passed on to policyholders. This information is free to the consumer if they contact our office or visit our website. This would remove the mandate that the information be published in a newspaper that charges a subscription to the consumer. When I took office, I sought to create more efficiencies within the Department and in the state's insurance marketplace. I believe that SB 2143 takes a small step in that direction while maintaining transparency for the public.

An example of the abstract is attached to this testimony.

Thank you, Mr. Chairman, I am happy to stand for any questions.

Abstract of Statement

North Dakota Insurance Department
SFN 4802

Select Your Company Type *

Property and Casualty

Is this an amendment? *

Yes No

NAIC Company Code (Enter the company code and tab out. This will automatically populate Name and State of Domicile.) *

34606

Name of Company *

Center Mutual Insurance Company

State of Domicile *

ND

For Year Ending December 31, 20 *

2021

DATA FROM ANNUAL STATEMENT OF COMPANY

TOTAL ASSETS (Page 2)

*

69,639,659.00

TOTAL LIABILITIES (Page 3)

*

27,191,415.00

Aggregate write-ins for special surplus funds

*

0.00

Common Capital Stock (Page 3)

*

0.00

Preferred Capital Stock (Page 3)

*

0.00

Aggregate Write-ins for Other Than Special Surplus Funds (Page 3)

*

0.00

Surplus Notes (Page 3)

*

0.00

Gross Paid in and Contributed Surplus (Page 3)

*

0.00

Unassigned Funds (Page 3)

*

41,877,215.00

TOTAL CAPITAL AND SURPLUS

*

41,877,215.00

TOTAL LIABILITIES, CAPITAL AND SURPLUS

*

69,068,630.00

NORTH DAKOTA BUSINESS ONLY

Total Direct Premiums Earned *

29,855,004.00

Total Direct Losses Incurred *

16,860,476.00

Total Accident and Health Direct Premiums Earned (Line 13-15.6) *

0.00

Total Accident and Health Direct Losses Incurred (Line 13-15.6) *

0.00

Name of Person Completing the Form *

Kristi J. Volk

Telephone Number (prefer toll-free, if available) *

701

776

5279

###

###

####

Title *

Chief Financial Officer

Name of Person to Send Invoice To *

Kristi J. Volk

Email Address *

kvolk@centermutual.com

Division and/or Department *

Accounting

Address for Invoice *

PO Box 365

City *

Rugby

State *

ND

ZIP Code *

58368

SENATE BILL NO. 2143

Presented by: Jon Godfread
Insurance Commissioner
North Dakota Insurance Department

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

Date: March 14, 2023

Good morning, Chairman Louser and members of the Committee. For the record, my name is Jon Godfread, Insurance Commissioner. I stand before you today in support of Senate Bill 2143, which is a policy bill that stems from the language brought forth by the Insurance Department last legislative session.

As the bill was introduced it would eliminate the need for insurance companies to have published an abstract of the annual statement that they file with the Department. Currently, this abstract must be published three times in one newspaper of general circulation in each judicial district in which the company conducts business, or once in the county of the principal place of business for a state or a county mutual. Our understanding is the publication of the abstract information is at the discretion of the newspaper, meaning the consumer would not know what day their company's information will be published.

In addition, if you are a consumer with a state or county mutual and you do not live in the same county as the principal place of business as your insurance company, the abstract is not printed in a newspaper that you likely have access. For example, if a policyholder lives in Bismarck and has coverage with the county mutual located in New Salem, that abstract may only be printed in the New Salem Journal or the Mandan News and not the Bismarck Tribune. Under both scenarios above, if you don't subscribe to the newspaper that is selected to fulfill this publication requirement, it is likely you will never see the abstract of your insurance company. As an alternative, the Department is suggesting that this abstract be made available solely on our website.

The North Dakota Newspaper Association keeps an archive of abstracts published in newspapers within the state, which the NDNA noted during the last legislative session. The Department's website also has a free abstract search function but is updated whenever a company submits its abstract. The NDNA's archive is only updated when a newspaper publishes an abstract, which can happen at the newspaper's discretion. Newspapers are businesses. Abstracts can be kicked down the road if the paper runs out of room or a more lucrative offer comes their way. We searched that archive and found that the abstract for one of the state's largest domestic property and casualty insurers appears to have been published in only one newspaper for 2019, 2020, and 2021. This abstract should have been published in numerous other newspapers since the company operates across the state. Admittedly, the abstract could have been published in multiple newspapers, and the NDNA website may be out-of-date, however that presents another problem. If the archive is a true representation of what was printed, it shows many papers failed to publish these abstracts. Additionally, our search function contains fewer steps and is more up-to-date than the NDNA's website.

I have brought copies of both the abstract available on our website and a copy of one from a newspaper publication. As you can see the information on the abstract is limited to a just a few points of financial information. If a member of the public wants the entire annual statement, which includes over 200 pages of financial information, they can request a free electronic copy from our office. Now I want to take a moment and walk you through just what it looks like to search for and find, or in some cases not find, the information on the available options for consumers. Matt Fischer from my office, will walk the committee through the search process. First there is our website. As you will see, we search for Nodak Insurance Company, our largest domestic P&C company, Blue Cross Blue Shield of ND, our largest domestic company, and State Farm. We first search our website, then the Newspaper Association website, and then finally on the Bismarck Tribune website.

[Link to video of the demonstration.](#)

As you will notice, the form and substance of the search did not change, but the results are dramatically different. I would argue that our site is more transparent and easier to navigate for

a consumer who is looking for this information. I would also argue that the average consumer is not looking for this information in the public notice sections of the newspapers, these are not school board meeting minutes, these are not land or tax notices, these are publications of a private company's financial information in the newspaper. I am not arguing with the requirement that this information be made available to the public, I am asking to end the requirement of our companies needing to pay for placement in a form where it's either inaccessible, as shown by the website overview, or you need to pay for a subscription to receive the information.

Since the last legislative session, we have made abstracts more accessible to those who want them. We pulled website analytics from the Department's website. Our data shows that in the past seven months of having the information on our website in 2022, we had 215 visits to the webpage where the public can search for abstracts. That's only a mere fraction of the total number of visitors we receive in a month, even a week, let alone seven months. During the first week of January, we had over two-thousand visitors to our website. During the month of December, over sixty-five hundred visitors. The information is readily available to the public on the Department's website; however, the public isn't going to our website or the newspapers for this information. They're most likely going to call our office, or the insurance companies themselves.

We believe the access to the public through our website is purposeful enough and reduces an expense to insurance companies, which is ultimately passed on to policyholders. This information is free to the consumer if they contact our office or visit our website. This would remove the mandate that the information be published in a newspaper that charges a subscription to the consumer. When I took office, I sought to create more efficiencies within the Department and in the state's insurance marketplace. I believe that SB 2143 takes a small step in that direction while maintaining transparency for the public.

We would ask that this committee remove the Senate amendments and take this bill back to the original bill as it was introduced. With the Senate amendments it ends the requirement for our state and county mutuals to publish their abstracts, but the requirement remains the same for

all other insurance companies. In an interest of fairness, any changes should apply broadly to the insurance marketplace and not to just certain subsections.

Finally, the opponents of this bill will say this is an issue of transparency, I would argue that with our examples and the demonstration that we showed, it's clear that we are providing a free, transparent and easy to navigate system for those who want access to this information.

This is not an issue of transparency, this is an issue of finances, if the state wishes to appropriate dollars to local newspapers in order to help them survive, I would support that. However, I struggle with the state requiring a private business to publish their financial data in a form that is not reasonable, or accessible to the public, especially when there is another free accessible option already in place. We have solved the transparency problem. What the opponents are looking at is a simple potential loss of revenue to their business and I understand that. Let's have that conversation, but it cannot be couched in an argument about transparency, that is factually dishonest.

An example of the abstract is attached to this testimony.

Thank you, Mr. Chairman, I am happy to stand for any questions.

Abstract of Statement

North Dakota Insurance Department
SFN 4802

Select Your Company Type *

Property and Casualty

Is this an amendment? *

Yes No

NAIC Company Code (Enter the company code and tab out. This will automatically populate Name and State of Domicile.) *

34606

Name of Company *

Center Mutual Insurance Company

State of Domicile *

ND

For Year Ending December 31, 20 *

2021

DATA FROM ANNUAL STATEMENT OF COMPANY

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Common Capital Stock (Page 3)

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0.00

Preferred Capital Stock (Page 3)

*

0.00

Aggregate Write-ins for Other Than Special Surplus Funds (Page 3)

*

0.00

Surplus Notes (Page 3)

*

0.00

Gross Paid in and Contributed Surplus (Page 3)

*

0.00

Unassigned Funds (Page 3)

*

41,877,215.00

TOTAL CAPITAL AND SURPLUS

*

41,877,215.00

TOTAL LIABILITIES, CAPITAL AND SURPLUS

*

69,068,630.00

NORTH DAKOTA BUSINESS ONLY

Total Direct Premiums Earned *

29,855,004.00

Total Direct Losses Incurred *

16,860,476.00

Total Accident and Health Direct Premiums Earned (Line 13-15.6) *

0.00

Total Accident and Health Direct Losses Incurred (Line 13-15.6) *

0.00

Name of Person Completing the Form *

Kristi J. Volk

Telephone Number (prefer toll-free, if available) *

701

776

5279

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Title *

Chief Financial Officer

Name of Person to Send Invoice To *

Kristi J. Volk

Email Address *

kvolk@centermutual.com

Division and/or Department *

Accounting

Address for Invoice *

PO Box 365

City *

Rugby

State *

ND

ZIP Code *

58368

Senate Bill 2143

TESTIMONY BY: BRENDA DOLL, EXECUTIVE SECRETARY, ND ASSOCIATION OF FARM MUTUAL INSURANCE COMPANIES BEFORE ND HOUSE INDUSTRY, BUSINESS & LABOR COMMITTEE

CHAIRMAN LOUSER, VICE CHAIRMAN OSTLIE, AND MEMBERS OF THE HOUSE INDUSTRY, BUSINESS & LABOR COMMITTEE:

MY NAME IS BRENDA DOLL, EXECUTIVE SECRETARY OF THE NORTH DAKOTA ASSOCIATION OF FARM MUTUAL INSURANCE COMPANIES, REPRESENTING 10 COUNTY MUTUAL COMPANY MEMBERS FROM ACROSS NORTH DAKOTA. I HAVE 38 YEARS OF COUNTY MUTUAL INSURANCE BUSINESS.

THANK YOU FOR THE OPPORTUNITY TO SUBMIT TESTIMONY IN SUPPORT OF SB 2143.

THIS BILL WAS ORIGINALLY INTENDED TO DISCONTINUE THE ANNUAL PUBLICATION OF ABSTRACT RULE, BUT WAS AMENDED TO INCLUDE ONLY NORTH DAKOTA COMPANIES. THIS BILL WOULD NO LONGER REQUIRE NORTH DAKOTA COMPANIES TO SUBMIT PAYMENT TO THE NORTH DAKOTA NEWSPAPER ASSOCIATION FOR THE ANNUAL PUBLICATION OF THEIR COMPANY ABSTRACTS. ALL ABSTRACTS FOR ALL INSURANCE COMPANIES ARE AVAILABLE AT NO CHARGE THROUGH THE NORTH DAKOTA INSURANCE DEPARTMENT WEBSITE. THIS IS A UNECESSARY DUPLICATION!

I RESPECTFULLY ASK FOR A DO PASS ON SB 2143! THANK YOU!

BRENDA DOLL

March 14, 2023

**House Industry, Business and Labor Committee
Senate Bill 2143**

Good morning Chairman Louser and Members of the House Industry, Business and Labor Committee:

My name is Amy Wobbema, President of the North Dakota Newspaper Association and publisher of two weekly newspapers in central North Dakota - the New Rockford Transcript and the Foster County Independent.

I'm writing in opposition to SB 2143, the bill that would exempt county and state mutual insurance companies from publishing abstracts in newspapers.

As I understand it, the original intent of this bill as sponsored by Sen. Mark Weber was to exempt county mutual insurance companies only from publishing their abstracts once annually as per Century Code.

Newspapers are the place to put public notices, including insurance abstracts. We are non-partisan, private entities and are the source for all public notices currently required by state law. Further, a 2020 statewide survey conducted by Coda Ventures on behalf of NDNA found that 86% of North Dakota adults read a newspaper at least weekly, and 88% of them turn to newspapers when they are seeking public notices.

One of the arguments I have heard in favor of this bill is that people look to the internet for this information, not newspapers. If that is the case, they will find those same insurance abstracts on our state public notice website, <http://ndpublicnotices.newzgroup.com/>. North Dakota newspapers led the way in establishing this statewide home on the internet for all public notices published by newspapers throughout the state, another service we provide to both government and industry. Public notices are available there for anyone to read for free, with no subscription required.

If insurance abstracts are removed from newspapers and put solely online, I am concerned about how they will be archived for future reference. For more than 100 years, the State Historical Society has been archiving every North Dakota newspaper, whether published in print or e-edition. This means that all public notices, including insurance abstracts, are available in the newspaper archives to be accessed at any time by North Dakota citizens, indefinitely.

Chairman Louser and Committee Members, as the bill stands today, I don't support it. I ask for a "do not pass" on SB 2143.

This bill has been changed from its original intent twice, and NDNA has agreed to support it only if it is amended to narrow the scope of the exemption to county mutual insurance companies only, as Sen. Weber first proposed.

I appreciate your time and consideration, and I am willing to answer any questions you may have. You can direct questions to me by email at amywobbema@gmail.com.

Tuesday, March 14, 2023

House Industry, Business & Labor Committee SB 2143

CHAIRMAN LOUSER AND COMMITTEE MEMBERS:

My name is Jack McDonald. I'm appearing on behalf of the North Dakota Newspaper Association (NDNA). We oppose SB 2143 as it is before you, but support Sen. Weber's proposed amendment and will not oppose the bill as amended.

There has been no great demand for this bill. Our state's founding fathers wanted this, and we don't see any reason to change that. It was first enacted in much the form it is in today in 1895 as part of North Dakota's Revised Code, just six years after statehood, and has been on the books since then. It was renumbered a bit in 1983 as part of a massive revision of the Insurance Code and has been unchanged since then.

So why do we need to change it now? Our state's Founding Fathers felt citizens needed to know basic information about the insurance companies that serve them. These publications are paid for by the insurance companies – by and large out of state corporations. This is out-of-state money being invested in small North Dakota businesses.

Let's take a random look at some of the totals. In 2022, The Mandan News received \$4,888.65 and The Bismarck Tribune \$4,944.13. The Cass County Reporter received \$4,721.43. The Grand Forks Herald \$9,777.30. The New Rockford Transcript \$5,526.30. The four newspapers in Nelson County – The Aneta Star, The Lakota American, The McVillage Messenger and The Nelson County Arena - \$39,321.75.

Three North Dakota weekly newspapers closed last year. There are now three communities that will no longer see their kid's graduation pictures in the local newspaper. Or see local sports stories or high school honor awards. They won't see stories about their city and county commissions, or what their local legislators are doing.

If these insurance abstracts are not published where they do business then where will they be? They will be tucked away some place on the Insurance Commissioner's web page.

I'm sure most North Dakotans, whether in Fessenden, Mandan, Grand Forks or Belfield, do not sit down at their morning breakfast tables and say, "Gee, I'd like to scroll through the Insurance Commissioner's web page this morning just see what's new".

You know that's not going to happen. These abstracts will be tucked away where they are likely not to be seen by anybody except other insurance companies and agents, and not North Dakota citizens.

NDNA respectfully requests that you amend this bill so that North Dakotans can still see most of the information about their insurance companies.

Thank you for your time and consideration. I'd be happy to answer any questions.

-30-

SENATE BILL 2143

TESTIMONY BY RYAN DREGER, MANAGER/SECRETARY TREASURER OF
DUNDEE MUTUAL INSURANCE COMPANY.

CHAIRMAN LOUSER, VICE CHAIRMAN OSTLIE AND MEMBERS OF THE
COMMITTEE:

MY NAME IS RYAN DREGER, MANAGER/SECRETARY TREASURER FOR DUNDEE
MUTUAL INSURANCE COMPANY LOCATED IN PARK RIVER, ND. I HAVE BEEN
WITH THE COMPANY FOR OVER 7 YEARS AND SEEN SIGNIFICANT BUSINESS
CHANGES DURING THIS BRIEF AMOUNT OF TIME. OUR COMPANY IS ONE OF
10 COUNTY MUTUALS THAT PROVIDE PROPERTY/CASUALTY INSURANCE IN
OUR STATE. I AM HERE TODAY TO ASK FOR YOUR SUPPORT FOR SB 2143.

THE PROPOSED CHANGES ARE WE ARE REQUESTING ARE TO AMMEND SEC
26. 1-03-10 OF THE NORTH DAKOTA CENTURY CODE WHICH WERE WRITTEN
SEVERAL YEARS AGO. WE HOPE THESE CHANGES WILL HELP US KEEP UP
WITH CHANGING TIMES.

AT THE TIME THESE SECTIONS OF THE CENTURY CODE WERE WRITTEN, PRINT WAS THE ONLY OPTION TO PROVIDE THE PUBLIC OUR COMPANY'S FINANCIAL INFORMATION. THE COST ASSOCIATED WITH PUBLISHING OUR INFORMATION IN THE NEWSPAPER ARE PASSED ON TO OUR POLICYHOLDERS IN THE FORM OF PREMIUMS OR POLICY FEES. OUR POLICYHOLDERS MAY ASK FOR OUR FINANCIAL INFORMATION, WHICH WE PROVIDE FREE OF COST AT ANY TIME.

THE NEED FOR UPDATING THIS OUTDATED PORTION OF THE CENTURY CODE WILL HELP US CONTINUE TO GROW, AND WITH THE HELP OF THE NORTH DAKOTA INSURANCE DEPARTMENT PROVIDING OUR INFORMATION FREE OF CHARGE, HELP US BECOME MORE EFFICIENT AND ALLOW US OFFER COMPETITIVE RATES AND PRODUCTS WITHIN OUR STATE.

CHAIRMAN LOUSER, VICE CHAIRMAN OSTLIE AND MEMBERS OF THE COMMITTEE, I RESPECTFULLY ASK FOR A DO PASS ON SB 2143.

THANK YOU.

SENATE BILL 2143

TESTIMONY BY PAULA SCHUH, MANAGER/SECRETARY TREASURER OF GRIGGS NELSON MUTUAL INSURANCE COMPANY AND EXECUTIVE SECRETARY OF ND ASSOCIATION OF FARM MUTUALS INSURANCE COMPANIES BEFORE THE ND HOUSE INDUSTRY, BUSINESS AND LABOR COMMITTEE.

CHAIRMAN LOUSER, VICE CHAIRMAN OSTLIE AND MEMBERS OF THE COMMITTEE:

MY NAME IS PAULA SCHUH, MANAGER/SECRETARY TREASURER OF GRIGGS NELSON MUTUAL INSURANCE COMPANY AND EXECUTIVE SECRETARY OF THE NORTH DAKOTA ASSOCIATION OF FARM MUTUAL INSURANCE COMPANIES. I HAVE 5 YEARS OF EXPERIENCE IN THE COUNTY MUTUAL INSURANCE BUSINESS. THANK YOU FOR THE OPPORTUNITY TO APPEAR BEFORE YOU TODAY, AND TO ASK FOR YOUR SUPPORT FOR SB 2143.

THE CHANGES ARE TO AMEND SEC. 26.1-03-10 OF THE NORTH DAKOTA CENTURY CODE. THIS CODE ACTUALLY DATES BACK TO 1885, WAS AMENDED 11 TIMES BETWEEN 1885 AND 1943, ALONG WITH A VERY MINOR WORD CHANGE IN 1983. IN 1983, NDCC 26.07-08 WAS REPEALED AND REPLACED WITH NDCC 26.1-03.10.

THE ONLY STIPULATION FOR PUBLICATION OF COUNTY MUTUAL ABSTRACTS IS THAT IT MUST BE PUBLISHED AT LEAST ONCE IN A NEWSPAPER IN THE COUNTY WHERE THE COMPANY HAS ITS PRINCIPAL PLACE OF BUSINESS, A NEWSPAPER DESIGNATED BY THE MEMBERS OF THE COMPANY. THE ISSUE IS THAT YOU DON'T KNOW WHAT DAY IT WILL BE PUBLISHED, SO CONSUMERS COULD MISS IT. FOR EXAMPLE, IF YOU ARE A MEMBER OF GRIGGS NELSON MUTUAL INSURANCE COMPANY OF MCVILLE, BUT YOUR RESIDENCE IS DEVILS LAKE, YOU WOULD MOST LIKELY LOOK FOR THE ABSTRACT IN THE DEVILS LAKE JOURNAL BUT THE ABSTRACT IS PUBLISHED IN THE GRIGGS COUNTY COURIER. WITH THE ABSTRACTS ALL AVAILABLE, FREE OF CHARGE ON THE NORTH DAKOTA INSURANCE DEPARTMENT WEBSITE, THIS WOULD NOT BE AN ISSUE.

COUNTY MUTUAL INSURERS PAY ANNUALLY FOR ABSTRACT PUBLICATION, AND THE ANNUAL COST ASSOCIATED WITH ABSTRACT PUBLICATION IS PASSED ON THE TO COMPANY POLICYHOLDERS. WITH THE ABSTRACTS AVAILABLE FREE OF CHARGE TO ANYONE ON THE NORTH DAKOTA INSURANCE DEPARTMENT WEBSITE, NDCC 26.1-03-10 NEEDS TO BE UPDATED.

I RESPECTFULLY ASK FOR A DO PASS ON SB 2143.

THANK YOU.

23.0604.02001
Title.

Prepared by the Legislative Council staff for
Senator Weber

February 14, 2023

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2143

Page 1, line 2, after "statement" insert "and certificate of authority"

Page 1, line 6, remove the overstrike over "~~and certificate of authority~~"

Page 1, line 9, overstrike "state or"

Renumber accordingly

Prepared by the
North Dakota Insurance Department
March 14, 2023

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2143

Page 1, overstrike lines 9 through 11

Page 1, line 12, overstrike "state in which the company has an agency."

Page 1, line 15, overstrike "The certificate of authority"

Page 1, overstrike lines 16 through 18

Page 1, line 19, overstrike "the commissioner within four months after the filing of the annual statement."

Renumber accordingly

January 16, 2023

Senate Industry, Business & Labor Committee SB 2143
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CHAIRMAN LARSEN AND COMMITTEE MEMBERS:

My name is Jack McDonald. On behalf of the North Dakota Newspaper Association, we are willing to accept SB 2143 but only if the following amendment limiting its effect to county mutual insurance companies is accepted by the committee.

PROPOSED AMENDMENTS TO SENATE BILL 2143

Page 1, line 9, remove the overstrike over “~~The abstract of the annual statement of each company, other than a~~”

Page 1, remove the overstrikes in lines 10 and 11

Page 1, line 12, remove the overstrike over “~~state in which the company has an agency.~~”

Page 1, line 15, remove the overstrike over “~~The certificate of authority~~”

Page 1, remove the overstrikes in lines 16-19

Renumber accordingly