DEPARTMENT OF INSURANCE
STATE OF NORTH DAKOTA

Jim Poolman
Commissioner of Insurance

August 18, 2005

TO: All Life Companies Licensed in North Dakota

The North Dakota Insurance Department continues in its effort to encourage life insurance companies to adhere to high market conduct standards.

In doing so the Department is reviewing the role of a best practices organization, such as the Insurance Marketplace Standards Association (IMSA), in the Department's market analysis reviews. As part of its market analysis process, the Department routinely inquires as to whether a life insurance company is a member of IMSA. If a company is a member, the Department requests and considers IMSA information in determining the nature and scope of its review of the marketing and sales practices of the company, including such areas as: agent training and licensing, replacements, and advertising. For Form A filings, the Department inquires as to whether companies are members of IMSA, and may consider IMSA information, as well as other relevant factors and documents, in performing the review process.

The Department has found that the qualification process of a best practices organization such as IMSA, and the information gathered by the organization, will facilitate the work of its market conduct analysts and examiners as they review company marketing and sales, complaint handling, and other company functions.

The Department also found that the qualification process provides a strong impetus for a life insurance company to develop high standards for its market conduct activities.

Thus, the Department encourages a life insurance company to become a member of a best practices organization such as IMSA. Doing so will facilitate our examination process while promoting more responsive market conduct activities.

Sincerely,

Jim Poolman
Commissioner
N.D. Insurance Department

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