

STATE OF NORTH DAKOTA
BEFORE THE INSURANCE COMMISSIONER

In the Matter of the Promulgation)	
of Proposed Rules Regarding:)	
Producer Licensing, Insurance Holding)	NOTICE OF PROPOSED RULEMAKING
Company Systems, Credit for)	
Reinsurance, Accounting Practices and)	FILE NO. RU-15-543
Procedures, Life Insurance Advertising,)	
Boilers, and Bail Bondsmen)	
)	

NOTICE OF INTENT TO AMEND ADMINISTRATIVE RULES
AND NOTICE OF PUBLIC HEARING

PLEASE TAKE NOTICE that the North Dakota Insurance Department will hold a public hearing to address the proposed amendments to the following chapters of the North Dakota Administrative Code:

45-02-02	Producer Licensing
45-03-05	Insurance Holding Company Systems
45-03-07.1	Credit for Reinsurance
45-03-15	Accounting Practices and Procedures
45-04-10	Life Insurance Advertising
45-12	Boilers
45-17-01	Bail Bondsmen

The hearing will be held at 2:00 p.m., central time, on July 20, 2015, in the Peace Garden Room, State Capitol, Bismarck, North Dakota.

The Department proposes amendments to or the creation of the following administrative rules:

1. N.D. Admin. Code ch. 45-02-02 – Producer Licensing. This chapter is being amended to synchronize language regarding cancellation vs. termination to clarify that cancellation deals with producers' licenses and termination deals with appointments of insurers. It does not make any substantive changes.

2. N.D. Admin. Code ch. 45-03-05 – Insurance Holding Company Systems. This chapter is being amended to add Form F - Enterprise Risk Report as a holding company requirement and modifies transactions subject to prior notice to specify what must be included in cost sharing and management services agreements.

3. N.D. Admin. Code ch. 45-03-07.1 – Credit for Reinsurance. This chapter is being amended to add a new section for the certification of reinsurers. The Commissioner will evaluate the reinsurance supervisory system to determine if the jurisdiction qualifies to be recognized as a qualified jurisdiction. The application is submitted on Form CR-1, which is attached to the rules as an exhibit. The rule also eliminates the requirement that letters of credit be issued or confirmed by a qualified U.S. financial institution authorized to issue letters of credit

and allows for the reduction of trust balances if the assuming reinsurer has discontinued underwriting new business for at least three full years.

4. N.D. Admin. Code ch. 45-03-15 – Accounting Practices and Procedures. Two sections in this chapter are being amended to update the required Accounting Procedures and Practices Handbook from the 2013 version to the 2015 version.

5. N.D. Admin. Code ch. 45-04-10 – Life Insurance Advertising. This chapter is being amended to add language found in the rules governing advertising of accident and health insurance to the life advertising rules.

6. N.D. Admin. Code Article 45-12 – Boilers. This article is being amended to make inspection intervals consistent and allow insurance inspectors to submit reports electronically. These rules also allow inspection program on low-pressure boilers to go from two-year intervals to three-year intervals. The rules also clarify for hot water heating and hot water supply boilers, the inspection would be required annually. The rules also make hospitals part of the one-year inspection requirement.

7. N.D. Admin. Code ch. 45-17-01 - Bail Bondsmen. This chapter is being created to clarify that monitoring the status of the bail bond means checking the status of each bail bond issued by a bail bond agent at least once every seven days.

The proposed amendments are not expected to have an impact on the regulated community in excess of \$50,000.

The proposed amendments may be reviewed at the North Dakota Insurance Department, 600 East Boulevard Avenue, Dept. 401, Bismarck, ND 58505. A copy of the proposed amendments and the regulatory analysis may be reviewed on the Department's website at www.nd.gov/ndins or may be requested by calling (701) 328-2440. Written or oral comments on the proposed amendments sent to the above address and received by July 30, 2015, will be fully considered.

If you plan to attend the public hearing and will need special facilities or assistance relating to a disability, please contact the North Dakota Insurance Department at the above telephone number or address at least seven days prior to the public hearing.

DATED this 12th day of June, 2015.



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