

Fifty-fifth
Legislative Assembly
of North Dakota

ENGROSSED SENATE BILL NO. 2133

Introduced by

Industry, Business and Labor Committee

(At the request of the Commissioner of Insurance)

1 A BILL for an Act to amend and reenact subdivision n of subsection 1 of section 26.1-36-04 and
2 subdivision d of subsection 3 of section 26.1-36.3-06 of the North Dakota Century Code,
3 relating to accident and health insurance and small employer/employee health insurance.

4 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

5 **SECTION 1. AMENDMENT.** Subdivision n of subsection 1 of section 26.1-36-04 of the
6 North Dakota Century Code is amended and reenacted as follows:

7 n. A provision that in the event of the death of an insured, the insurer will refund
8 within thirty days after notice to the insurer of the insured's death the portion
9 of the premium, fees, or other sum paid beyond the month of death ~~after~~
10 ~~deducting any claim for losses during the current term of the policy. This~~
11 ~~provision does not apply where the insurer has a valid defense to the~~
12 ~~payment of benefits under the policy.~~

13 **SECTION 2. AMENDMENT.** Subdivision d of subsection 3 of section 26.1-36.3-06 of
14 the North Dakota Century Code is amended and reenacted as follows:

15 d. (1) Except as provided in this subdivision, a small employer carrier shall
16 apply requirements used to determine whether to provide coverage to a
17 small employer, including requirements for minimum participation of
18 eligible employees and minimum employer contributions, uniformly
19 among all small employers with the same number of eligible employees
20 who are applying for coverage or receiving coverage from the small
21 employer carrier.
22 (2) A small employer carrier may vary application of minimum participation
23 requirements and minimum employer contribution requirements only by
24 the size of the small employer group.

- (3) (a) Except as provided in subparagraph b, a small employer carrier, in applying minimum participation requirements with respect to a small employer, ~~shall~~ may not consider employees or dependents who have qualifying existing coverage either in calculating the group size upon which the minimum participation requirement is based or in determining whether the applicable percentage of small employer has met the minimum participation is met requirements.

(b) With respect to a small employer, with ten or fewer eligible employees, a small employer carrier may consider employees or dependents who have coverage under another health benefit plan sponsored by the small employer in applying minimum participation requirements. However, if the carrier chooses to consider those employees or dependents, the small employer carrier shall consider them in calculating the group size upon which the minimum participation requirement is based and in determining whether the small employer has met the minimum participation requirements.
- (4) A small employer carrier may not increase any requirement for minimum employee participation or any requirement for minimum employer contribution applicable to a small employer at any time after the small employer has been accepted for coverage.