

Fifty-fifth
Legislative Assembly
of North Dakota

SENATE BILL NO. 2335

Introduced by

Senators Fischer, Nalewaja, Tallackson

Representatives Carlson, Freier, Skarphol

1 A BILL for an Act to create and enact a new section to chapter 26.1-26 of the North Dakota
2 Century Code, relating to insurance agents acting as consultants; and to amend and reenact
3 section 26.1-26-35 of the North Dakota Century Code, relating to insurance consultants and
4 consulting fees.

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

6 **SECTION 1.** A new section to chapter 26.1-26 of the North Dakota Century Code is
7 created and enacted as follows:

8 **Requirements of agents acting as consultants.** A licensed insurance agent,
9 insurance broker, or surplus lines insurance broker, exempted from licensing as a consultant
10 under section 26.1-26-10, who receives a commission as a result of the sale of insurance to a
11 client, and who, by written agreement with the client, negotiates a fee for insurance consulting
12 services that is in addition to the commission, shall comply with the provisions and
13 requirements of a consultant's agreement as set forth in section 26.1-26-35. All commissions
14 and fees must comply with section 26.1-26-04.

15 **SECTION 2. AMENDMENT.** Section 26.1-26-35 of the North Dakota Century Code is
16 amended and reenacted as follows:

17 **26.1-26-35. Duties of consultant - Agreements.** An insurance consultant shall serve
18 with objectivity and complete loyalty the interests of the consultant's client alone and to render
19 the client such information, counsel, and service as within the knowledge, understanding, and
20 opinion, in good faith of the licensee, best serves the client's insurance needs and interests.
21 ~~Before rendering any~~ Any service set forth in subsection 4 of section 26.1-26-02, ~~an insurance~~
22 ~~consultant shall prepare~~ for which a fee is charged, requires a written agreement ~~on a form~~
23 ~~approved by the commissioner. The agreement must outline the nature of the work to be~~
24 ~~performed by the consultant and must state the fee for the work~~ outlining the nature of the work

- 1 to be performed by the consultant, and the fee structure agreed to by the consultant and client.
- 2 The consultant and the client shall sign the agreement. The consultant shall retain a copy of
- 3 the agreement for not less than two years after completion of the services. ~~This~~ In an
- 4 insurance department inquiry, the copy must be available to the commissioner.