

**Fifty-eighth Legislative Assembly of North Dakota  
In Regular Session Commencing Tuesday, January 7, 2003**

HOUSE BILL NO. 1140  
(Industry, Business and Labor Committee)  
(At the request of the Insurance Commissioner)

AN ACT to amend and reenact subsection 3 of section 26.1-03-19.2, subsection 5 of section 26.1-12-03, and sections 26.1-12-04 and 26.1-18.1-08 of the North Dakota Century Code, relating to examination reports of foreign companies, term of existence of a mutual insurance company, articles of incorporation of a mutual insurance company, and annual reports of health maintenance organizations.

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

**SECTION 1. AMENDMENT.** Subsection 3 of section 26.1-03-19.2 of the North Dakota Century Code is amended and reenacted as follows:

3. In lieu of an examination under this chapter of any foreign insurer licensed in this state, the commissioner may accept an examination report on the company as prepared by the insurance department for the company's state of domicile or port-of-entry state until January 1, 1994. Thereafter, the reports may only be accepted if the insurance department was at the time of the examination accredited under the national association of insurance commissioners' financial regulation standards and accreditation program, or the examination is performed under the supervision of an accredited insurance department or with the participation of one or more examiners who are employed by an accredited state insurance department and who, after a review of the examination workpapers and report, state under oath that the examination was performed in a manner consistent with the standards and procedures required by their insurance department, or the commissioner finds that the examination was performed by the insurance department of a state that was previously accredited under the national association of insurance commissioners but has lost its accreditation, provided that state's consumer protection laws are no less protective than those present under North Dakota law.

**SECTION 2. AMENDMENT.** Subsection 5 of section 26.1-12-03 of the North Dakota Century Code is amended and reenacted as follows:

5. The term of existence of the company, which may ~~not exceed thirty years~~ be perpetual.

**SECTION 3. AMENDMENT.** Section 26.1-12-04 of the North Dakota Century Code is amended and reenacted as follows:

**26.1-12-04. Articles of incorporation - Filing - Issuance of certificate.** The articles of incorporation or amendments thereto of a mutual insurance company organized under this chapter must be submitted to the commissioner ~~and to the attorney general~~. If the commissioner ~~and the attorney general determine~~ determines the articles or amendments comply with this chapter, the commissioner shall approve the same. The articles or amendments must be filed in the office of the secretary of state and a certified copy must be filed with the commissioner. The commissioner shall deliver a certificate to the company indicating that it has complied with this chapter.

**SECTION 4. AMENDMENT.** Section 26.1-18.1-08 of the North Dakota Century Code is amended and reenacted as follows:

**26.1-18.1-08. Annual report.**

1. Every domestic health maintenance organization shall annually, on or before March first, and every foreign health maintenance organization shall annually, on or before the date that its annual report is due in its domestic state, file a report verified by at least two principal officers with the commissioner, covering the preceding calendar year. The report must be on forms prescribed by the commissioner. In addition, the domestic health maintenance organization shall file by March first, and every foreign health maintenance organization shall file annually, on or before the date that its annual report is due in its domestic state, unless otherwise stated:
  - a. Audited financial statements on or before June first.
  - b. A list of the providers who have executed a contract that complies with subdivision a of subsection 4 of section 26.1-18.1-12.
  - c. (1) A description of the grievance procedures.  
(2) The total number of grievances handled through the procedures, a compilation of the causes underlying those grievances, and a summary of the final disposition of those grievances.
2. The commissioner may require additional reports as are deemed necessary and appropriate to enable the commissioner to carry out the commissioner's duties under this chapter. The commissioner may waive the filing of the annual report and other information for a health maintenance organization that has discontinued its operation in this state.

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Speaker of the House

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President of the Senate

\_\_\_\_\_  
Chief Clerk of the House

\_\_\_\_\_  
Secretary of the Senate

This certifies that the within bill originated in the House of Representatives of the Fifty-eighth Legislative Assembly of North Dakota and is known on the records of that body as House Bill No. 1140.

House Vote:      Yeas    88      Nays    0      Absent    6

Senate Vote:    Yeas    46      Nays    0      Absent    1

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Chief Clerk of the House

Received by the Governor at \_\_\_\_\_ M. on \_\_\_\_\_, 2003.

Approved at \_\_\_\_\_ M. on \_\_\_\_\_, 2003.

\_\_\_\_\_  
Governor

Filed in this office this \_\_\_\_\_ day of \_\_\_\_\_, 2003,

at \_\_\_\_\_ o'clock \_\_\_\_\_ M.

\_\_\_\_\_  
Secretary of State