

Sixty-first
Legislative Assembly
of North Dakota

SENATE BILL NO. 2442

Introduced by

Senator Mathern

(Approved by the Delayed Bills Committee)

1 A BILL for an Act to provide for a legislative council study of blue cross blue shield of North
2 Dakota to determine whether legislative changes are appropriate to the laws relating to
3 nonprofit mutual insurance companies.

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

5 **SECTION 1. LEGISLATIVE COUNCIL STUDY - BLUE CROSS BLUE SHIELD OF**
6 **NORTH DAKOTA.**

- 7 1. During the 2009-10 interim, the legislative council shall study blue cross blue shield
8 of North Dakota to determine whether legislative changes are appropriate to the
9 laws relating to nonprofit mutual insurance companies. The study must include a:
- 10 a. Review of the legislative history of the 1997 legislation leading to conversion
11 of blue cross blue shield of North Dakota from a nonprofit health service
12 corporation to a nonprofit mutual insurance company;
- 13 b. Consideration of whether the charitable trust and fiduciary duty of a nonprofit
14 entity has remained throughout this conversion;
- 15 c. Consideration of whether it is desirable to amend the laws relating to the
16 business structure, including wholly owned subsidiaries, of blue cross blue
17 shield of North Dakota; and
- 18 d. Review of the process for approval of premium rates for a nonprofit mutual
19 insurance company, including the history of escalating premiums and
20 concerns relating to provider payment practices.
- 21 2. The legislative council shall report its finding and recommendations, together with
22 any legislation required to implement the recommendations, to the sixty-second
23 legislative assembly.