

Sixty-first  
Legislative Assembly  
of North Dakota

## HOUSE BILL NO. 1160

Introduced by

Industry, Business and Labor Committee

(At the request of the Insurance Commissioner)

1 A BILL for an Act to create and enact a new section to chapter 26.1-01 of the North Dakota  
2 Century Code, relating to examination of workforce safety and insurance by the insurance  
3 commissioner; and to provide a continuing appropriation.

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

5 **SECTION 1.** A new section to chapter 26.1-01 of the North Dakota Century Code is  
6 created and enacted as follows:

7 **Examination of and reporting from workforce safety and insurance - Report to**  
8 **governor - Confidentiality - Continuing appropriation.** Notwithstanding any other provision  
9 of law:

10 1. The commissioner may address to workforce safety and insurance an inquiry in  
11 relation to the activities, condition, or any other matter connected with the  
12 transactions of workforce safety and insurance. Workforce safety and insurance  
13 shall reply in writing to such an inquiry within twenty days of receipt of the inquiry,  
14 unless within that twenty days workforce safety and insurance requests and the  
15 commissioner grants an extension of time. The records of workforce safety and  
16 insurance are open to inspection by the commissioner without notice. In addition  
17 to any other information the commissioner may request, workforce safety and  
18 insurance shall make regular monthly reports to the commissioner in the form and  
19 manner prescribed by the commissioner which shall include information regarding  
20 claims, grievances, administrative hearings under chapter 28-32, appeals to courts  
21 of law, or any other information the commissioner deems appropriate. Workforce  
22 safety and insurance shall transmit to the commissioner, not later than September  
23 first of each year, an annual statement of its condition and business, including a  
24 financial statement for the year ending on the preceding June thirtieth. Workforce

1           safety and insurance shall also transmit to the commissioner its most recent  
2           financial statements compiled on a quarterly basis, within forty-five days following  
3           the calendar quarters ending September thirtieth, December thirty-first, and March  
4           thirty-first. The annual and quarterly statements must be prepared and filed in the  
5           form prescribed by the commissioner. It is a violation of this title for a person to  
6           knowingly supply the commissioner with false, misleading, or incomplete  
7           information.

8           2. The commissioner or the commissioner's designee may conduct an examination of  
9           workforce safety and insurance whenever the commissioner, in the commissioner's  
10          sole discretion, deems appropriate. The commissioner shall determine the nature  
11          and scope of the examination which may include examining workforce safety and  
12          insurance policies and procedures, whether its financial records or statements  
13          fairly present its true financial condition, its fund balance, the appropriateness of its  
14          investments, its premium rates, the performance of programs and functions, risk  
15          management, or any other area deemed necessary by the commissioner in order  
16          to improve cost-effective, efficient services with public accountability.

17          3. Upon completion of the examination described in subsection 2, the commissioner  
18          shall submit to the governor a report that sets forth the conditions that exist that  
19          prevent the effective or efficient operation of workforce safety and insurance and  
20          recommend a course of action to remedy those conditions. The governor shall  
21          review the report and direct a course of action to be implemented by the director of  
22          workforce safety and insurance or recommend a course of action to the legislative  
23          assembly if legislative action is necessary to remedy any conditions. This section  
24          does not limit or restrict the other powers, duties, and authority of the governor.

25          4. The commissioner shall maintain as confidential any confidential documents or  
26          information received from workforce safety and insurance. The information may  
27          not be disclosed by the department unless otherwise allowed by law and is exempt  
28          from section 44-04-18.

29          5. The funds necessary to pay the expense of conducting an examination described  
30          in this section are appropriated on a continuing basis from the workforce safety and  
31          insurance fund.