

Sixty-first  
Legislative Assembly  
of North Dakota

## HOUSE BILL NO.

Introduced by

Representative Wald

(At the request of the Insurance Commissioner)

A BILL for an Act to create a new subsection to section 26.1-01-07 and a new section to chapter 26.1-26 of the North Dakota Century Code, relating to fees charged for insurance producer license continuation; to amend and reenact sections 26.1-26-20, 26.1-26-31, 26.1-26-31.1, and 26.1-26-50 of the North Dakota Century Code, relating to insurance producer continuing education requirements and penalties; to repeal sections 26.1-26-31.4 and 26.1-26-31.8 of the North Dakota Century Code, relating to insurance producer continuing education requirements; and to provide an effective date.

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

**SECTION 1.** A new subsection to section 26.1-01-07 of the North Dakota Century Code is created and enacted as follows:

For filing an individual insurance producer licensing continuation, twenty-five dollars;

**SECTION 2.** A new section to chapter 26.1-26 of the North Dakota Century Code is created and enacted as follows:

**Biennial license continuation.** A licensed individual insurance producer shall file a biennial license continuation in the form and manner prescribed by the commissioner and pay a fee of twenty-five dollars.

**SECTION 3. AMENDMENT.** Section 26.1-26-20 of the North Dakota Century Code is amended and reenacted as follows:

#### **26.1-26-20. Nonresident licensing.**

1. Unless denied licensure pursuant to this chapter, the commissioner shall issue a nonresident person a nonresident insurance producer license if:

a. The person is currently licensed as a resident and is in good standing in the person's home state;

- b. The person has submitted the proper request for licensure and has paid the fees required by section 26.1-01-07;
  - c. The person has submitted or transmitted to the commissioner either the person's home state application for licensure or a completed uniform application; and
  - d. The person's home state awards nonresident insurance producer licenses to residents of this state on the same basis.
2. The commissioner may verify the insurance producer's licensing status through the insurance producer data base maintained by the national association of insurance commissioners, its affiliates, or subsidiaries.
  3. A nonresident insurance producer who moves from one state to another state or a resident insurance producer who moves from this state to another state shall file a change of address and provide certification from the new resident state within thirty days of the change of legal residence. A fee or license application is not required.
  4. Notwithstanding any other provision of this chapter, a person licensed as a surplus lines insurance producer in the person's home state is entitled to receive a nonresident surplus lines insurance producer license pursuant to subsection 1. Except as to subsection 1, nothing in this section otherwise amends or supersedes any provision of chapter 26.1-44.
  5. Notwithstanding any other provision of this chapter, a person licensed as a limited line credit insurance or other type of limited lines insurance producer in the person's home state is entitled to receive a nonresident insurance producer license, pursuant to subsection 1, granting the same scope of authority as granted under the license issued by the insurance producer's home state. For the purpose of this subsection, limited line insurance is any authority granted by the home state which restricts the authority of the license to less than the total authority prescribed in the associated major lines pursuant to section 26.1-26-11.
  - ~~6. A nonresident insurance producer shall pay a biennial continuation fee of twenty five dollars.~~

**SECTION 4. AMENDMENT.** Section 26.1-26-31 of the North Dakota Century Code is amended and reenacted as follows:

1           **26.1-26-31. Term of license.** A license issued under this chapter continues in force in  
2     perpetuity unless:

- 3           1.    The license is suspended, revoked, or refused by the commissioner;
- 4           2.    The licensee voluntarily consents to the suspension, revocation, or refusal of the  
5                license;
- 6           3.    The licensee dies or in the case of a business entity, the licensee is dissolved,  
7                consolidated, merged, or otherwise has ceased to exist;
- 8           4.    The licensee no longer meets the residence requirements of section 26.1-26-19;
- 9           5.    The individual resident licensee fails to comply with continuing education  
10               requirements of this chapter.
- 11          6.    The individual licensee fails to file the biennial continuation and pay the fee.
- 12          7.    The surplus lines insurance producer has failed to maintain a resident or  
13                nonresident license as an insurance producer as required by section 26.1-26-17, or  
14                has failed to pay the annual renewal fee to the commissioner; or
- 15          6- 8.   The insurance consultant has failed to pay the annual renewal fee to the  
16                commissioner.

17           **SECTION 5. AMENDMENT.** Section 26.1-26-31.1 of the North Dakota Century Code  
18     is amended and reenacted as follows:

19           **26.1-26-31.1. Continuing education required - ~~Exceptions~~ Exception.**

- 20           1.    Except as otherwise provided in this chapter, any ~~person~~ individual licensed as ~~an~~  
21                a resident insurance producer or resident insurance consultant shall provide the  
22                commissioner evidence, as required by the commissioner, that the ~~person~~  
23                individual attended or participated in continuing education of not less than  
24                twenty-four hours of approved coursework, of which three hours must be in ethics.  
25                The commissioner may reduce or waive the minimum number of hours per year of  
26                approved coursework for any ~~person~~ individual having a license limited to a  
27                specific product type. Credit for courses attended in any one year over the  
28                minimum number of hours of coursework required, not to exceed twelve hours,  
29                may be credited to the year next preceding the year in which they were earned or  
30                to the year next following the year in which they were earned. Reports of  
31                continuing education must be made at the end of ~~each~~ a two-year period ~~following~~

1           ~~licensure.~~ The commissioner may provide a one-time extension of the two-year  
2           reporting requirement, not to exceed thirty-six months, if additional time is  
3           necessary in order to implement the transition to reporting continuing education by  
4           birth month. No continuing education is required of an insurance producer who is  
5           at least sixty-two years of age and who has a combined total years of continuous  
6           licensure as an insurance producer and years of age which equals eighty-five.

- 7           2. The commissioner shall by rule ~~divide the persons subject to this section into two~~  
8           ~~equal segments for the purpose of reporting, as follows:~~ provide for reporting by  
9           birth month of compliance with the continuing education requirements of this  
10          section.

11          a. ~~One half of the persons shall file their report showing at least the minimum~~  
12             ~~number of required hours of approved coursework for the previous two years~~  
13             ~~within thirty days of January first of every odd-numbered year.~~

14          b. ~~One half of the persons shall file a report showing at least the minimum~~  
15             ~~number of required hours of approved coursework for the previous two years~~  
16             ~~within thirty days of January first of every even-numbered year.~~

- 17          3. ~~All persons licensed after January 1, 1989, shall report within thirty days of the first~~  
18             ~~day of January of the year following the second anniversary of the person's~~  
19             ~~licensure.~~

20          **SECTION 6. AMENDMENT.** Section 26.1-26-50 of the North Dakota Century Code is  
21          amended and reenacted as follows:

22          **26.1-26-50. Civil penalty for violation of chapter.** In addition to or in lieu of any  
23          applicable denial, suspension, or revocation of a license, any person violating this chapter may,  
24          after hearing, be subject to a civil fine ~~of not less than one hundred dollars nor more than one~~  
25          not to exceed ten thousand dollars for each violation. The fine may be collected and recovered  
26          in an action brought in the name of the state.

27          **SECTION 7. REPEAL.** Sections 26.1-26-31.4 and 26.1-26-31.8 of the North Dakota  
28          Century Code are repealed.

29          **SECTION 8. EFFECTIVE DATE.** This Act becomes effective January 1, 2010.