

Sixty-first
Legislative Assembly
of North Dakota

Introduced by

(At the request of the Insurance Commissioner)

1 A BILL for an Act to create and enact subsection 21 of section 26.1-04-03 of the North Dakota
2 Century Code, relating to unfair compensation of insurance company employees.

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

4 **SECTION 1.** Subsection 21 of section 26.1-04-03 of the North Dakota Century Code is
5 created and enacted as follows:

6 Unfair compensation. Basing the compensation including performance bonuses or
7 incentives of employees or contracted claims personnel on the following:

- 8 a. The number of policies canceled.
9 b. The number of times coverage is denied.
10 c. Use of a quota limiting or restricting the number of volume of claims.
11 d. Use of an arbitrary quota or cap limiting or restricting the amount of claims
12 payments without due consideration to the merits of the claim.