

Senate Industry and Business Committee
HB 1398 -- IN FAVOR

CHAIRMAN BARTA AND COMMITTEE MEMBERS:

My name is Cecile Wehrman. I'm the executive director of the North Dakota Newspaper Association, representing the state's 73 newspapers.

Nearly every session, legislators have been asked to affirm the publication of insurance abstracts -- a practice that dates back to North Dakota's territorial days. These publications were affirmed again just last session.

This time the question is not **WHETHER** we should be printing abstracts, but **WHERE** these notices should appear. Since at least 1930, the printing of these notices has been shared across ALL newspapers. Though the insurance commissioner has always had the authority to designate just one newspaper in each judicial district to print these notices, he never has -- until now.

Last spring, NDNA was notified the insurance commissioner was directing these notices to just 8 newspapers. We were already processing the abstracts through our usual distribution practice, so it was too late to change. This year, we had no choice but to comply. That means the readers of only 8 newspapers will have exposure to these notices in 2025 -- mostly in the state's highest population centers.

Frankly, it doesn't make sense. Especially when you consider that the combined circulation of smaller newspapers in **5 OF THE 8 districts is EQUAL TO OR EXCEEDS** the circulation of the newspapers chosen to print them. This cuts out most rural people even though small town weeklies often have more readers.

The insurance department will argue these notices have no value. We disagree, especially at a time when insurance companies are under increasing scrutiny due to denial of claims and extreme weather events. Consumers have a right to assess whether these companies appear to be financially solvent. The department could require these companies to add a line about where to direct consumer questions, adding even more value for consumers.

Abstract printing itself **COSTS THE STATE NOTHING**. The department has even cancelled the software that used to feed these abstract forms directly to us, removing another cost. Insurance companies pay just \$250 a year to publish these notices. None of them are complaining about the cost.

The insurance commissioner has referred to these abstracts as “economic development for newspapers.” But his decision to concentrate publication in just 8 newspapers this year will be an economic blow to the 65 newspapers not designated. This compounds the lack of information to mostly rural readers with a kick in the gut to the small town newspapers who serve them.

However, that’s not true in every case. Here’s one example that points out how arbitrary this decision is: The newspaper I own, The Journal of Crosby, is one of only two weekly newspapers selected to receive these abstracts -- a boon I neither sought nor desire. The designation comes strictly because The Journal is the highest circulation newspaper in the judicial district. Newspapers in Williston and Watford City will print none. In this case, the highest population centers are completely cut out of the process. Just as it makes no sense to print these abstracts only in high population centers it makes no sense to print them only in a newspaper serving a county of 2,500 people.

Here’s another example: The Fargo Forum is going to be tasked with printing about 375 of these notices, while the other three newspapers in that district -- Casselton, Finley and Hillsboro -- get nothing. And their readers get nothing.

Intended or not, the commissioner’s decision creates economic winners and losers at a time when the newspaper industry is weathering historic postal increases and tariffs on newsprint and aluminum printing plates. And for what?

The law change we seek is simple and straightforward. Allow us to continue the practice followed for 100 years, distributing these notices equally among all of the newspapers in each judicial district.

Leaving the law “as is” is an especially tough blow to the family-owned independent publishers in rural areas. Insurance companies aren’t complaining about whether the notices appear in Fargo or Finley. And all of these notices appear on NDNA’s searchable public notice website, ndpublicnotices.com, which is free to the public.

We urge a DO PASS on HB 1398.

Thank you for your consideration.