

PROPOSED AMENDMENTS TO SENATE BILL NO. 2396

Page 1, remove lines 5 and 6

Page 1, line 7, replace "2" with "1"

Page 1, line 8, replace "3" with "2"

Page 1, line 10, replace "4" with "3"

Page 1, line 13, replace "5" with "4"

Page 1, line 17, replace "Upon approval by the commissioner" with "Any insurer or group"

Page 1, line 18, remove "insurance," and replace "incorporate or organize" with "establish"

Page 1, line 19, replace "All" with "Except as provided in this Act, all"

Page 1, line 20, replace "body" with "board, which must include a representative of the Bank of North Dakota. The Bank of North Dakota shall administer the fund; however, the governing board is responsible for adopting fund policies and procedures" and replace "However, the" with "The"

Page 1, line 21, replace "body" with "board"

Page 1, line 22, remove "and an insurer or group of affiliated insurers may not own"

Page 1, remove line 23

Page 1, line 24, remove "company established under this section"

Page 2, line 2, after "state" insert "and no loan may be approved or made by the fund without a ten percent participation in the aggregate amount of the loan by the Bank of North Dakota. The participation of the Bank of North Dakota in a loan may not exceed ten percent of the aggregate amount of the loan. A loan from the fund may not be made to an insurer"

Page 2, line 3, replace "body" with "board"

Page 2, line 6, replace "body" with "board"

Page 2, line 8, replace "and" with a comma

Page 2, line 9, replace "is" with "represents", after "project" insert ", and make a recommendation to the governing board to either approve or disapprove the loan application", and replace "No more than fifteen percent of the capitalization" with "The Bank of North Dakota shall administer all loans issued by the fund and shall receive from the fund a service fee of twenty-five basis points on all loans in place"

Page 2, remove line 10

Page 2, line 11, remove "loan from the fund may not be made to an insurer" and replace "audit" with "examine"

Page 2, line 13, after the period insert "The fund shall pay for the costs of an examination and no credit may be allowed any insurer for payment of examination costs as otherwise provided under section 26.1-03-17."

Page 2, line 15, replace "body" with "board", after "for" insert "performance of an audit and", and remove "an"

Page 2, line 16, replace "statement" with "statements"

Page 2, line 19, replace "body" with "board" and replace "statement" with "financial statements"

Page 2, line 21, replace "statement" with "audit and preparation of financial statements"

Page 2, line 22, replace "An" with "If the requirements of this Act are met, an"

Page 2, replace lines 24 through 31 with:

- "1. An insurer making or participating in a loan under this Act is entitled to a premium tax credit calculated for each calendar year the loan is in place. The amount of the credit is the difference between:
 - a. The participating insurer's share of the interest earned on the loan during the calendar year; and
 - b. The participating insurer's share of an amount of interest that would have been earned during the same period by applying an interest rate, calculated by adding three hundred basis points to a comparable treasury security rate at the date of the issuance of the loan.
2. The maximum credit allowed an insurer for any calendar year is the amount of interest that would have been earned during the period by applying an interest rate of three hundred basis points. A credit may not be allowed if the interest earned exceeds the interest that would have been earned by applying the calculation in subdivision b of subsection 1.
3. The credit may not exceed the total amount of the insurer's tax liability under subsection 1 of section 26.1-03-17 and no unused credit may be carried forward.
4. Credits under this section for all insurers may not exceed one million dollars in a calendar year.

SECTION 7. Assets of insurers. The amount of a loan made by an insurer or the amount of an insurer's participation in a loan made under this Act may not be considered or reported on the insurer's annual statement as an admitted asset except to the extent provided under section 26.1-05-19."

Page 3, remove lines 1 through 9

Renumber accordingly