

HOUSE BILL NO. 1264

Introduced by

Representative Wald

1 A BILL for an Act to create and enact a new section to chapter 26.1-26 of the North Dakota
2 Century Code, relating to a controlled insurance business.

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

4 **SECTION 1.** A new section to chapter 26.1-26 of the North Dakota Century Code is
5 created and enacted as follows:

6 **Controlled business prohibited - Definition - Formula for determination.**

- 7 1. As used in this section, unless the context otherwise requires, "controlled
8 business" means:
- 9 a. Insurance written on the interests of the licensee, licensee's immediate family,
10 or licensee's employer; or
 - 11 b. Insurance covering the licensee, the members of the licensee's immediate
12 family, a business entity, or the officers, directors, substantial stockholders,
13 partners, or employees of such a business entity of which the licensee or a
14 member of the licensee's immediate family is an officer, a director, a
15 substantial stockholder, a partner, an associate, or an employee.
- 16 2. The commissioner may not grant, renew, continue, or permit to continue any
17 license if the commissioner determines that the license is being or will be used by
18 the applicant or licensee for the purpose of writing controlled business. A license is
19 deemed to have been or intended to be used for the purpose of writing controlled
20 business if the commissioner determines that during any twelve-month period the
21 aggregate commissions earned from the controlled business exceeded twenty-five
22 percent of the aggregate commissions earned on all business written by the
23 licensee during the same period.

Fifty-eighth
Legislative Assembly

- 1 3. This section does not apply to insurance written in connection with credit
2 transactions, including title insurance.