

**HOUSE BILL NO. 1140**

Introduced by

Industry, Business and Labor Committee

(At the request of the Insurance Commissioner)

1 A BILL for an Act to amend and reenact subsection 3 of section 26.1-03-19.2, subsection 5 of  
2 section 26.1-12-03, and sections 26.1-12-04 and 26.1-18.1-08 of the North Dakota Century  
3 Code, relating to examination reports of foreign companies, term of existence of a mutual  
4 insurance company, articles of incorporation of a mutual insurance company, and annual  
5 reports of health maintenance organizations.

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

7 **SECTION 1. AMENDMENT.** Subsection 3 of section 26.1-03-19.2 of the North Dakota  
8 Century Code is amended and reenacted as follows:

9 3. In lieu of an examination under this chapter of any foreign insurer licensed in this  
10 state, the commissioner may accept an examination report on the company as  
11 prepared by the insurance department for the company's state of domicile or  
12 port-of-entry state until January 1, 1994. Thereafter, the reports may only be  
13 accepted if the insurance department was at the time of the examination accredited  
14 under the national association of insurance commissioners' financial regulation  
15 standards and accreditation program, or the examination is performed under the  
16 supervision of an accredited insurance department or with the participation of one  
17 or more examiners who are employed by an accredited state insurance department  
18 and who, after a review of the examination workpapers and report, state under  
19 oath that the examination was performed in a manner consistent with the  
20 standards and procedures required by their insurance department, or the  
21 commissioner finds that the examination was performed by the insurance  
22 department of a state that was previously accredited under the national association  
23 of insurance commissioners but has lost its accreditation, provided that state's

1           consumer protection laws are no less protective than those present under North  
2           Dakota law.

3           **SECTION 2. AMENDMENT.** Subsection 5 of section 26.1-12-03 of the North Dakota  
4 Century Code is amended and reenacted as follows:

5           5. The term of existence of the company, which may ~~not exceed thirty years~~ be  
6           perpetual.

7           **SECTION 3. AMENDMENT.** Section 26.1-12-04 of the North Dakota Century Code is  
8 amended and reenacted as follows:

9           **26.1-12-04. Articles of incorporation - Filing - Issuance of certificate.** The articles  
10 of incorporation or amendments thereto of a mutual insurance company organized under this  
11 chapter must be submitted to the commissioner ~~and to the attorney general.~~ If the  
12 commissioner ~~and the attorney general determine~~ determines the articles or amendments  
13 comply with this chapter, the commissioner shall approve the same. The articles or  
14 amendments must be filed in the office of the secretary of state and a certified copy must be  
15 filed with the commissioner. The commissioner shall deliver a certificate to the company  
16 indicating that it has complied with this chapter.

17           **SECTION 4. AMENDMENT.** Section 26.1-18.1-08 of the North Dakota Century Code  
18 is amended and reenacted as follows:

19           **26.1-18.1-08. Annual report.**

20           1. Every domestic health maintenance organization shall annually, on or before  
21           March first, and every foreign health maintenance organization shall annually, on  
22           or before the date that its annual report is due in its domestic state, file a report  
23           verified by at least two principal officers with the commissioner, covering the  
24           preceding calendar year. The report must be on forms prescribed by the  
25           commissioner. In addition, the domestic health maintenance organization shall file  
26           by March first, and every foreign health maintenance organization shall file  
27           annually, on or before the date that its annual report is due in its domestic state,  
28           unless otherwise stated:

- 29           a. Audited financial statements on or before June first.  
30           b. A list of the providers who have executed a contract that complies with  
31           subdivision a of subsection 4 of section 26.1-18.1-12.

- 1                   c.   (1)   A description of the grievance procedures.
- 2                               (2)   The total number of grievances handled through the procedures, a
- 3                                        compilation of the causes underlying those grievances, and a summary
- 4                                        of the final disposition of those grievances.
- 5           2.   The commissioner may require additional reports as are deemed necessary and
- 6                   appropriate to enable the commissioner to carry out the commissioner's duties
- 7                   under this chapter. The commissioner may waive the filing of the annual report
- 8                   and other information for a health maintenance organization that has discontinued
- 9                   its operation in this state.