

Sixty-fifth
Legislative Assembly
of North Dakota

ENGROSSED HOUSE BILL NO. 1223

Introduced by

Representatives D. Ruby, Rick C. Becker, M. Nelson, Toman

Senator O. Larsen

1 A BILL for an Act to create and enact a new chapter to title 65 of the North Dakota Century
2 Code, relating to allowing employers to purchase private insurance for worker's compensation
3 coverage.

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

5 **SECTION 1.** A new chapter to title 65 of the North Dakota Century Code is created and
6 enacted as follows:

7 **Duty to secure payment of compensation - Options - Definitions.**

8 1. Notwithstanding contrary provisions of law, every employer required to provide
9 workers' compensation coverage under this title shall secure the coverage under this
10 title by:

- 11 a. Paying premiums and providing coverage through the state fund; or
- 12 b. Providing coverage and qualifying as a carrier-insured employer under this title.

13 2. As used in this chapter:

- 14 a. "Carrier-insured employer" means an employer that provides workers'
15 compensation coverage through a guaranty contract insurer.
- 16 b. "Guaranty contract insurer" means an insurer that is authorized under title 26.1
17 and this title to transact workers' compensation insurance in this state. An insurer
18 may not be authorized to transact workers' compensation insurance in this state
19 unless the insurer's policy provides workers' compensation coverage that meets
20 or exceeds the coverage required under this title.

21 **Carrier-insured employers.**

22 1. An employer may qualify as a carrier-insured employer by establishing to the
23 insurance commissioner's satisfaction that the employer is insured by a guaranty

- 1 contract insurer. A carrier-insured employer must have proof of insurance filed with the
2 insurance department.
- 3 2. The insurance department may suspend or revoke the authorization of an insurer to
4 issue workers' compensation insurance policies in this state if the insurance
5 department finds the company failed to comply with the insurer's obligations under this
6 title or failed to comply with the orders of the insurance department.
- 7 3. The insurance department shall adopt rules addressing:
- 8 a. Proof of insurance requirements;
- 9 b. Guaranty contract expiration, cancellation, and termination requirements for
10 carrier-insured employers; and
- 11 c. Insurance department revocation of authorization to be a carrier-insured
12 employer.
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