Sixty-fifth Legislative Assembly of North Dakota

SENATE BILL NO. 2103

Introduced by

Industry, Business and Labor Committee

(At the request of the Insurance Commissioner)

- 1 A BILL for an Act to amend and reenact sections 26.1-01-04 and 26.1-01-07 and subsection 2
- 2 of section 26.1-15.1-35 of the North Dakota Century Code, relating to fees chargeable by the
- 3 insurance commissioner.

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

- 5 **SECTION 1. AMENDMENT.** Section 26.1-01-04 of the North Dakota Century Code is amended and reenacted as follows:
- 7 **26.1-01-04.** Service of process upon commissioner Procedure.
- 8 When a consent to service of any process, notice, order, or demand upon the commissioner
- 9 is provided under this title, the service is to be in duplicate. The commissioner immediately shall
- 10 forward one copy by registered mail to the person against whom the process, notice, order, or
- 11 demand is directed at that person's last reasonably ascertainable address and shall file the
- 12 other copy in the office of the commissioner. The person serving process upon the
- 13 commissioner shall pay the fee provided in section 26.1-01-07. The commissioner shall keep a
- 14 record of the date and hour of service.
- 15 **SECTION 2. AMENDMENT.** Section 26.1-01-07 of the North Dakota Century Code is
- 16 amended and reenacted as follows:
- 17 **26.1-01-07.** Fees chargeable by commissioner.
- 18 <u>1.</u> The commissioner shall charge and collect the following fees:
- 19 <u>1. a.</u> For filing articles of incorporation, or copies, or amendments thereof, twenty-five dollars.
- 21 <u>2. b.</u> For each original certificate of authority issued upon admittance <u>and for each</u>
- 22 <u>annual renewal thereof</u>, one hundred dollars and for renewal of certificate of
- 23 authority, amendment to certificate of authority, or certified copy thereof, fifty
- 24 dollars.

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- 1 For issuing an annual reciprocal exchange license, the same fees as those 3. <u>c.</u> 2 applicable to the issuance of a certificate of authority in subsection 2. 3 4. <u>d.</u> For filing an annual report of a fraternal benefit society, and issuing a license or 4 permit to the society, and for each renewal thereof, twenty-five one hundred 5 dollars. 6 5. For filing bylaws or amendments thereof, ten dollars. 7 6. For filing of articles of merger, or copies thereof, thirty dollars. 8 7. For receiving the service of process as attorney, whether the commissioner is served-9 with the process or admits service thereon, ten dollars. 10 For filing of power of attorney by nonadmitted insurer for conduct of business in 11 compliance with surplus lines laws of this state, ten dollars. 12 9. For filing an annual statement, twenty-five dollars. e. 13 10. f. For filing the abstract of the annual statement of an insurance company for 14 publication, thirty dollars. 15 11. g. For an official examination, the expenses of the examination at the rate adopted 16 by the department. The rates must be reasonably related to the direct and 17 indirect costs of the examination, including actual travel expenses, including hotel 18 and other living expenses, compensation of the examiner and other persons 19 making the examination, and necessary attendant administrative costs of the 20 department directly related to the examination and must be paid by the examined 21 insurer together with compensation upon presentation by the department to the 22 insurer of a detailed account of the charges and expenses after a detailed 23 statement has been filed by the examiner and approved by the department. 24 12. <u>h.</u> For issuing a certificate to a domestic insurance company showing a compliance 25 with the compulsory reserve provisions of this title and the maintenance of proper 26 security deposits and for any renewal of the certificate, tentwenty-five dollars. 27
 - 43. i. For a written licensee's examination not administered by the office of the commissioner under a contract with a testing service, the actual cost of the examination, subject to approval of the commissioner, which must be paid to the testing service.

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1 For issuing a surplus lines insurance producer's or insurance consultant's 14. 2 license, one hundred dollars. For each annual renewal of a surplus lines 3 insurance producer's or insurance consultant's license, twenty-five dollars. 4 15. k. For issuing an insurance producer's license, one hundred dollars. 5 16. For issuing a duplicate of any license or registration issued under this title, ten I. 6 dollars. 7 17. For issuing and each annual renewal of a license to a resident agent for the attorney 8 for a reciprocal exchange, ten dollars. 9 18. For filing of any miscellaneous documents or papers, including documents of 10 admission and those filed annually upon license renewal, ten dollars each. 11 19. For a copy of any paper filed in the commissioner's office, twenty cents per folio. 12 20. For affixing the commissioner's official seal on a copy of any paper filed in the office-13 and certifying the copy, ten dollars. 14 21. For each insurance company appointment and renewal of an appointment of an m. 15 insurance producer, ten dollars. 16 22. For each company application for admission, five hundred dollars, except <u>n.</u> 17 applications for admission for county mutual, fraternal benefit, and surplus lines 18 companies must be one hundred dollars. 19 23. For issuing a license and each annual renewal of a license to an insurance Ο. 20 premium finance company, one hundred dollars. 21 24. For examining or investigating an insurance premium finance company, the <u>p.</u> 22 actual expense and per diem incurred; but the per diem charge may not exceed 23 fifty dollars. 24 25. q. For issuing and each annual renewal of a license to an advisory organization, fifty 25 dollars. 26 26. For filing an individual insurance producer licensing continuation, twenty-five 27 dollars. 28 Nonprofit health service corporations and health maintenance organizations are 2. 29 subject to the same fees as any other insurance company. County mutual insurance 30 companies and benevolent societies are liable only for the fees mentioned in 31 subsections 2, 10, 11, 15, 18, 19, and 20subdivisions b, f, g, and k of subsection 1.

- 3. However, the commissioner may, after public notice and hearing, increase the fees authorized by this section for any year if it is determined necessary to generate the revenue appropriated by the legislative assembly from the insurance regulatory trust fund to fund budgeted operations for the insurance department. The insurance commissioner may not implement a fee increase pursuant to this section to enhance or in any manner add funds to the legislative appropriation for the insurance department.
 - **SECTION 3. AMENDMENT.** Subsection 2 of section 26.1-15.1-35 of the North Dakota Century Code is amended and reenacted as follows:
 - 2. Service may be made only upon the commissioner or upon any person in charge of the commissioner's office. It must be made in duplicate and constitutes sufficient service upon the society. When legal process against a society is served upon the commissioner, the commissioner shall forthwith forward one of the duplicate copies by registered mail, postage prepaid, directed to the secretary or corresponding officer. No service may require a society to file its answer, pleading, or defense in less than twenty days from the date of mailing the copy of the service to a society. Legal process may not be served upon a society except in the manner herein provided. Atthe time of serving any process upon the commissioner, the plaintiff or complainant in the action shall pay to the commissioner the fee specified in section 26.1-01-07.