

January 21, 2019

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1106

Page 1, line 3, after the semicolon insert "to amend and reenact subsection 2 of section 26.1-03-17 of the North Dakota Century Code, relating to premium taxes and credits for insurance companies; to provide for a legislative management study;"

Page 1, after line 4, insert:

**"SECTION 1. AMENDMENT.** Subsection 2 of section 26.1-03-17 of the North Dakota Century Code is amended and reenacted as follows:

2. An insurance company, nonprofit health service corporation, health maintenance organization, or prepaid legal service organization subject to the tax imposed by subsection 1 is entitled to a credit against the tax due for the amount of any assessment paid as a member of a comprehensive health association under subsection 3 of section 26.1-08-09 for which the member may be liable for the year in which the assessment was paid, a credit against the tax due for the amount of any assessment paid as a member of the reinsurance association of North Dakota under section 26.1-36.7-06 for which the member may be liable for the year in which the assessment is paid, a credit as provided under section 26.1-38.1-10, a credit against the tax due for an amount equal to the examination fees paid to the commissioner under sections 26.1-01-07, 26.1-02-02, 26.1-03-19.6, 26.1-03-22, 26.1-17-32, and 26.1-18.1-18, and a credit against the tax due for an amount equal to the ad valorem taxes, whether direct or in the form of rent, on that proportion of premises occupied as the principal office in this state for over one-half of the year for which the tax is paid. The credits under this subsection must be prorated on a quarterly basis and may not exceed the total tax liability under subsection 1."

Page 2, line 11, remove "single employer"

Page 2, line 11, remove "not regulated by the state"

Page 3, line 14, after the first underscored comma insert "and"

Page 3, line 14, remove "a self-funded multiple employer welfare"

Page 3, remove lines 15 through 19

Page 3, line 20, remove "prescription claims in excess of a previously determined amount"

Page 3, line 21, replace "11." with "10."

Page 3, remove lines 23 through 28

Page 5, line 23, after the underscored period insert "A group health benefit plan issued pursuant to chapter 54-52.1 is exempt from the assessment."

Page 6, line 9, remove "and based on third-party administrator"

Page 6, line 10, remove "premium equivalents in this state"

Page 6, line 12, remove "and third-party administrator premium equivalents"

Page 6, line 13, after the underscored period insert "An assessment not paid within forty-five days of the end of the previous quarter accrues interest at twelve percent per annum beginning on the date due."

Page 6, line 17, remove "and third-party administrator premium"

Page 6, line 18, remove "equivalent"

Page 6, line 18, remove "The"

Page 6, remove lines 19 and 20

Page 8, after line 12, insert:

**"SECTION 3. LEGISLATIVE MANAGEMENT STUDY - HEALTH INSURANCE PREMIUM TREND.** During the 2019-20 interim, the legislative management shall study ways the state may be able to positively affect the current trend of health insurance premium rates increasing, with a focus on the high-risk and subsidized markets. The study must be solution based to reduce costs and may include consideration of whether a strict managed care model might be effective. The legislative management shall report its findings and recommendations, together with any legislation necessary to implement the recommendations, to the sixty-seventh legislative assembly."

Renumber accordingly