

## TESTIMONY OF PATRICK WARD IN SUPPORT OF HB 1160

Chairman Lefor and members of the House IBL committee. My name is Pat Ward and I represent State Farm Insurance Company in support of this bill.

We support HB 1160 but would like to address 2 concerns that this committee could fix.

First, we have a concern with this bill relating to the Safe Harbor provisions at pg. 15, Line 12.

The NAIC model uses the word "shall" while existing ND law uses the word "must." In a nutshell, the word "must" would make ND the outlier and may require a company to create a process different than those in other states and/or at the federal level – something adoption of the NAIC model is hoping to avoid.

State Farm would propose an amendment to the section noted to change the word "must" to "shall" as it appears in the model?

Also, a January 1, 2022 effective date for this bill would be more appropriate to give adequate time for insurers and insurance producers to comply due to all the administrative and internal programming changes that would need to be made.

With those two friendly amendments, we would urge a do pass on HB 1160.