

**HOUSE BILL NO. 1087**

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 26.1-27-03 and 26.1-27.1-02 of the North  
2 Dakota Century Code, relating to licensing for administrators of life and health insurance and  
3 pharmacy benefit managers.

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

5 **SECTION 1. AMENDMENT.** Section 26.1-27-03 of the North Dakota Century Code is  
6 amended and reenacted as follows:

7 **26.1-27-03. ~~Certificate of authority~~License required - Penalty.**

- 8 1. A person, including a person who directly or indirectly underwrites, collects charges or  
9 premiums from, or adjusts or settles claims on residents of this state in connection  
10 with life, annuity, or health coverage provided by a self-funded plan, may not act as or  
11 hold oneself out to be an administrator in this state, for the kinds of business for which  
12 the person is acting as an administrator, without a ~~certificate of authority~~license issued  
13 by the commissioner. Any person violating this subsection is guilty of a class C felony.
- 14 2. All applications must be accompanied by a filing fee of one hundred dollars.
- 15 3. The commissioner shall issue a ~~certificate~~license unless the commissioner after due  
16 notice and hearing determines that the administrator is not competent, trustworthy,  
17 financially responsible, or of good personal and business reputation, or has had a  
18 previous application for an insurance license denied for cause within five years.
- 19 4. The administrator shall pay an annual renewal fee of fifty dollars to maintain the  
20 ~~certificate~~license.
- 21 5. After notice and hearing, the commissioner may revoke a ~~certificate~~license or fine the  
22 administrator not more than ten thousand dollars, or both, or the commissioner may  
23 suspend a ~~certificate~~license, or fine the administrator not more than five thousand  
24 dollars, or both, upon finding that either the administrator violated section 26.1-27-05

1           and subsection 4 of section 26.1-27-06 and also violated subsection 1, 2, or 3 of  
2           section 26.1-27-06 or section 26.1-27-07, 26.1-27-08, 26.1-27-10, 26.1-27-11, or  
3           26.1-27-12, or the administrator is not competent, trustworthy, financially responsible,  
4           or of good personal and business reputation.

5           **SECTION 2. AMENDMENT.** Section 26.1-27.1-02 of the North Dakota Century Code is  
6 amended and reenacted as follows:

7           **26.1-27.1-02. Licensing.**

8           A person may not perform or act as a pharmacy benefits manager in this state unless that  
9 person holds a ~~certificate of registration~~ license as an administrator under chapter 26.1-27.