

Introduced by

Industry and Business Committee

(At the request of the Insurance Commissioner)

1 A BILL for an Act to create and enact section 26.1-26-33.1 of the North Dakota Century Code,
2 relating to obligations of insurance producers to maintain an electronic mailing address for
3 regulatory use; to amend and reenact sections 26.1-26-11, 26.1-26-22, 26.1-26-42.1,
4 26.1-26.8-09, 26.1-26.8-11, and 26.1-26.8-12 of the North Dakota Century Code, relating to
5 producer's lines of insurance, service of process for producer proceedings, revocation of
6 nonresident producer licenses, requirements for renewal of business entity public adjuster
7 licenses, public adjuster proof of insurance requirements, and public adjuster continuing
8 education requirements.

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

10 **SECTION 1. AMENDMENT.** Section 26.1-26-11 of the North Dakota Century Code is
11 amended and reenacted as follows:

12 **26.1-26-11. License of insurance producer - Lines of insurance.**

13 An insurance producer or surplus lines insurance producer may receive a license to market
14 products under one or more of the following lines:

- 15 1. Life ~~and annuity~~ means insurance coverage on human lives, including benefits of
16 endowment, fixed and indexed annuities, and credit life.
- 17 2. Accident and health or sickness means insurance coverage for sickness, disease,
18 injury, accidental death, and disability.
- 19 3. Property means insurance coverage for direct and consequential loss of or damage to
20 property of every kind.
- 21 4. Casualty means insurance coverage against legal liability, including that for death,
22 injury, or disability or damage to real or personal property.
- 23 5. Variable life and variable annuity means insurance coverage provided under variable
24 life insurance contracts and variable annuities.

1 The product types found under each of the above lines of insurance are those adopted pursuant
2 to section 26.1-05-02.1.

3 **SECTION 2. AMENDMENT.** Section 26.1-26-22 of the North Dakota Century Code is
4 amended and reenacted as follows:

5 **26.1-26-22. ~~Nonresident proceeding~~Proceedings by commissioner - Service of**
6 **process - Procedure.**

7 The commissioner shall serve process upon any ~~nonresident~~ licensee in any action or
8 proceeding instituted by the commissioner under this chapter by ~~mailing the process by~~
9 ~~registered mail return receipt requested~~electronic mail to the electronic mail address maintained
10 as required under section 26.1-26-33.1 or United States mail to the licensee at the licensee's
11 last-known address of record or principal place of business. Service of process under this
12 section is complete upon electronic mailing or United States mailing.

13 **SECTION 3.** Section 26.1-26-33.1 of the North Dakota Century Code is created and
14 enacted as follows:

15 **26.1-26-33.1. Notification of electronic mailing address used by regulator.**

16 An insurance producer shall maintain an electronic mailing address for regulatory use. It is
17 an insurance producer's sole responsibility to continually monitor the electronic mailing address
18 for regulatory communications from the commissioner.

19 **SECTION 4. AMENDMENT.** Section 26.1-26-42.1 of the North Dakota Century Code is
20 amended and reenacted as follows:

21 **26.1-26-42.1. Revocation of nonresident license.**

22 Notwithstanding the provisions of subsection 13 of section 26.1-26-42, any nonresident
23 license issued pursuant to this chapter may be suspended or revoked without notice and
24 hearing to the licensee and without proceeding in conformity with chapter 28-32, upon evidence
25 ~~that the resident license of the North Dakota nonresident licensee has been revoked or~~
26 ~~suspended or sixty days after the commissioner receives notification that the producer's license~~
27 is past the renewal deadline in the producer's resident home state. This evidence may be in the
28 form of a certified copy or by electronic mail, or through the insurance producer database
29 maintained by the national association of insurance producers, its affiliates, or subsidiaries.

30 **SECTION 5. AMENDMENT.** Section 26.1-26.8-09 of the North Dakota Century Code is
31 amended and reenacted as follows:

1 **26.1-26.8-09. License - Renewal - Reinstatement.**

2 1. The commissioner shall issue a resident public adjuster license or nonresident public
3 adjuster license to an individual who meets the necessary requirements of this
4 chapter.

5 a. A resident public adjuster license and a nonresident public adjuster license expire
6 on the last day of the month of the licensed public adjuster's birthday following
7 the two-year anniversary of issuance of a license by the commissioner.

8 b. To renew a license, a licensed resident public adjuster and a licensed
9 nonresident public adjuster shall file a biennial license continuation in the form
10 and manner prescribed by the commissioner and pay a fee of twenty-five dollars.
11 The commissioner shall give a licensee at least sixty~~ninety~~ days' notice of the
12 biennial license continuation filing deadline. A resident public adjuster or a
13 nonresident public adjuster who allows the license to lapse may, within the
14 twelve-month period immediately following the expiration date, reinstate the
15 same license without the necessity of passing a written examination, upon
16 payment of a reinstatement fee, not to exceed one hundred twenty-five dollars,
17 prescribed by the commissioner in addition to the renewal fee.

18 c. The commissioner may grant an individual licensee who is unable to comply with
19 license renewal procedures due to military service or some other extenuating
20 circumstance, including a long-term medical disability, a waiver of an examination
21 requirement or a fine, fee, or sanction imposed for failure to comply with renewal
22 procedures.

23 2. The commissioner shall issue a business entity public adjuster license to a business
24 entity that meets the necessary requirements of this chapter.

25 a. A business entity public adjuster license expires on the last day of the month
26 following the two-year anniversary of issuance of a license by the commissioner.

27 b. To renew a license, a licensed business entity public adjuster shall file a biennial
28 license continuation in the form and manner prescribed by the commissioner.

29 c. A business entity public adjuster license may be renewed within the ninety-day
30 period immediately preceding the expiration date upon payment of the renewal
31 ~~fee, not to exceed one hundred fifty dollars, prescribed by the commissioner. A~~

~~business entity public adjuster that allows the license to lapse may, within the thirty-day period immediately following the expiration date, renew the same license upon payment of a late renewal fee, not to exceed one hundred twenty-five dollars, prescribed by the commissioner in addition to the renewal fee.~~

~~d. A business entity public adjuster license renewed within the thirty-day period immediately following the expiration date pursuant to this section is deemed to have been renewed before the expiration date.~~

3. A license issued pursuant to this chapter must contain the licensee's name, mailing address, and license number; the date of issuance; the lines of authority; the expiration date; and any information the commissioner deems necessary.

4. Within thirty days after the change, a licensee shall inform the commissioner, by any means acceptable to the commissioner, of a change of legal name, mailing address, or other information submitted on the application.

a. A licensee who fails to provide this notification of change is subject to a fine by the commissioner of not more than five hundred dollars per violation, suspension of the license until the change is reported to the commissioner, or both.

b. A licensee doing business under a name other than the licensee's legal name shall notify the commissioner before using the assumed name.

5. A licensee is subject to the provisions of chapter 26.1-04.

6. A licensee shall report to the commissioner any administrative action taken against the licensee in another jurisdiction or by another governmental agency in this state within thirty days of the final disposition of the matter. The report must include a copy of the order, consent to order, or other relevant legal documents.

7. Within thirty days after a criminal conviction, a licensee shall report to the commissioner any criminal conviction of the licensee taken in any jurisdiction. The report must include a copy of the initial complaint, the order issued by the court, and any other relevant legal documents.

8. The commissioner may contract with nongovernmental entities, including the national association of insurance commissioners, or affiliates or subsidiaries the national association oversees, to perform ministerial functions, including the collection of fees, related to the administration of this chapter.

1 9. The commissioner may adopt rules establishing license renewal procedures.

2 **SECTION 6. AMENDMENT.** Section 26.1-26.8-11 of the North Dakota Century Code is
3 amended and reenacted as follows:

4 **26.1-26.8-11. Proof of bond ~~or insurance~~.**

5 1. At the time of issuance of a resident public adjuster license or a nonresident public
6 adjuster license and for the duration of the license, an applicant shall maintain a surety
7 bond ~~or proof of insurance~~ satisfactory to the commissioner for the use and benefit of
8 the commissioner for insureds that have remitted fees, retainers, compensation,
9 deposits, or other things of value to the public adjuster in the course of the public
10 adjuster's business. The bond:

11 a. Must be a minimum of twenty thousand dollars; and

12 b. May not be terminated by the surety company or public adjuster unless written
13 notice has been filed with the commissioner and submitted to the public adjuster
14 at least ~~sixty~~thirty days before the termination.

15 2. The commissioner may request the evidence of financial responsibility at any time the
16 commissioner deems relevant.

17 3. A public adjuster immediately shall notify the commissioner if evidence of financial
18 responsibility terminates or becomes impaired. The authority to act as a public
19 adjuster automatically terminates if the evidence of financial responsibility terminates
20 or becomes impaired.

21 **SECTION 7. AMENDMENT.** Section 26.1-26.8-12 of the North Dakota Century Code is
22 amended and reenacted as follows:

23 **26.1-26.8-12. Continuing education.**

24 1. Except as otherwise provided in this section, an individual who holds a resident public
25 adjuster license or a nonresident public adjuster license shall satisfactorily complete a
26 minimum of twenty-four credits of continuing education, including three credits of
27 ethics, reported on a biennial basis in conjunction with the license renewal cycle.
28 Credits for continuing education courses attended in any one year over the minimum
29 number of hours of education required, not to exceed twelve hours, may be credited to
30 the year next preceding the year in which the credits were earned or to the year next
31 following the year in which the credits were earned. Report of continuing education

- 1 must be made at the end of a two-year period. The commissioner may provide a
2 one-time extension of the two-year reporting requirement, not to exceed thirty-six
3 months, if additional time is necessary to implement the transition to reporting
4 continuing education by the last day of the birth month.
- 5 2. The requirements of subsection 1 do not apply to a nonresident public adjuster who
6 has met the continuing education requirements of the adjuster's home state and
7 whose home state gives credit to residents of this state on the same basis.
- 8 3. The commissioner shall provide by rule for reporting by the last day of the birth month
9 of compliance with the continuing education requirements of this section.
- 10 4. ~~The commissioner shall adopt by rule criteria for the accreditation of courses for~~
11 ~~continuing education. Applications for accreditation of a continuing education course~~
12 ~~offered in this state must be submitted to the commissioner within the time provided by~~
13 ~~rule and on forms established by rule and with a fee of fifty dollars. The commissioner~~
14 ~~shall make a final determination as to accreditation and assignment of credit hours for~~
15 ~~continuing education courses.~~