



TESTIMONY

Janelle Middlestead, Producer Licensing Director

Industry and Business Committee

January 14, 2025

Good afternoon, Chairman Barta and members of the Industry and Business Committee. My name is Janelle Middlestead, I am the Producer Licensing Director for the North Dakota Insurance Department. I stand before you today on behalf of Commissioner Godfread in support of Senate Bill 2125, which is an agency bill addressing several updates to producer's line of insurance, service of process for producer proceedings, revocation of nonresident producer licenses, and multiple updates to the public adjuster licenses to maintain consistency with the process and procedures for the producer licensing division. SB 2125 is a good example of the Department attempting to streamline workflows for efficiencies and using electronic means for sending correspondence versus utilizing the mail.

Section one of the bill allows the Department to follow the Producer Licensing Model Law Act (PLMA) which has key indicators that are best practices and recommendation changes that will align our state with other states that utilize National Insurance Producer Registry (NIPR). Streamlining our major lines of authority (LOA) as outlined in the PLMA. These changes would be for the new names, Life, Accident and health or sickness, Variable life & variable annuity. The other line of authorities was changed back in 2019; Crop Hail to Crop, and Travel/Baggage to Travel.

Section two allows the department to utilize electronic means for service of process for both resident and nonresident producers. This would allow for electronic mail to be used, in lieu of mailing out regulatory correspondence via certified mail. This cuts down on the cost for postage, as well as transaction time for sending and receiving documents.

Section three will allow the department to require producers to be responsible to monitor their electronic mail, as the producer licensing division has gone paperless and only correspondence is sent out by the prospective email addresses that are provided by the producer.

Section four of this bill will allow us to revoke a nonresident producer's license after being notified that the producer's license is past the renewal deadline in the producer's home state. This would take care of nonresident producers who do not have an active home state license but showing active in North Dakota.

Section five of this bill is for renewal or reinstatement of public adjuster's license by updating the days of notice in which a public adjuster producer is provided notification in which to renew their license, increasing from sixty days to ninety days to correlate with the insurance producer's notification. As well as removing the verbiage of allowing a late renewal fee or

within a thirty-day period as there is no grace period for public adjusters. Also, adding clarification regarding a public adjuster's license to make sure it indicates mailing address as this is required for the producer to update if there are any changes within thirty days of legal name, address, or electronic mailing address.

Section six of this bill is removing the wording of proof of insurance to show that only a proof of a surety bond is required to be a resident or nonresident public adjuster, as well as matching with the insurance producer code stating that the bond may not be terminated by the surety company of the public adjuster unless written notice has been filed with the commissioner and submitted to the public adjuster at least thirty days before termination. We are making the date change from sixty to thirty to match the existing language in the insurance producer requirements.

Section seven of this bill regards continuing education for public adjusters. The wording was changed for the reporting of continuing education to align with the producer license line of authority renewal to be the last day of the birth month of the public adjuster producer. In the last paragraph of the continuing education for public adjuster the lines were removed as this is not for a public adjuster but for a provider for continuing education.

Thank you, Chairman Barta and members of the Industry and Business Committee. I respectfully request a "do pass" recommendation from the committee and am happy to answer any questions that you may have.

