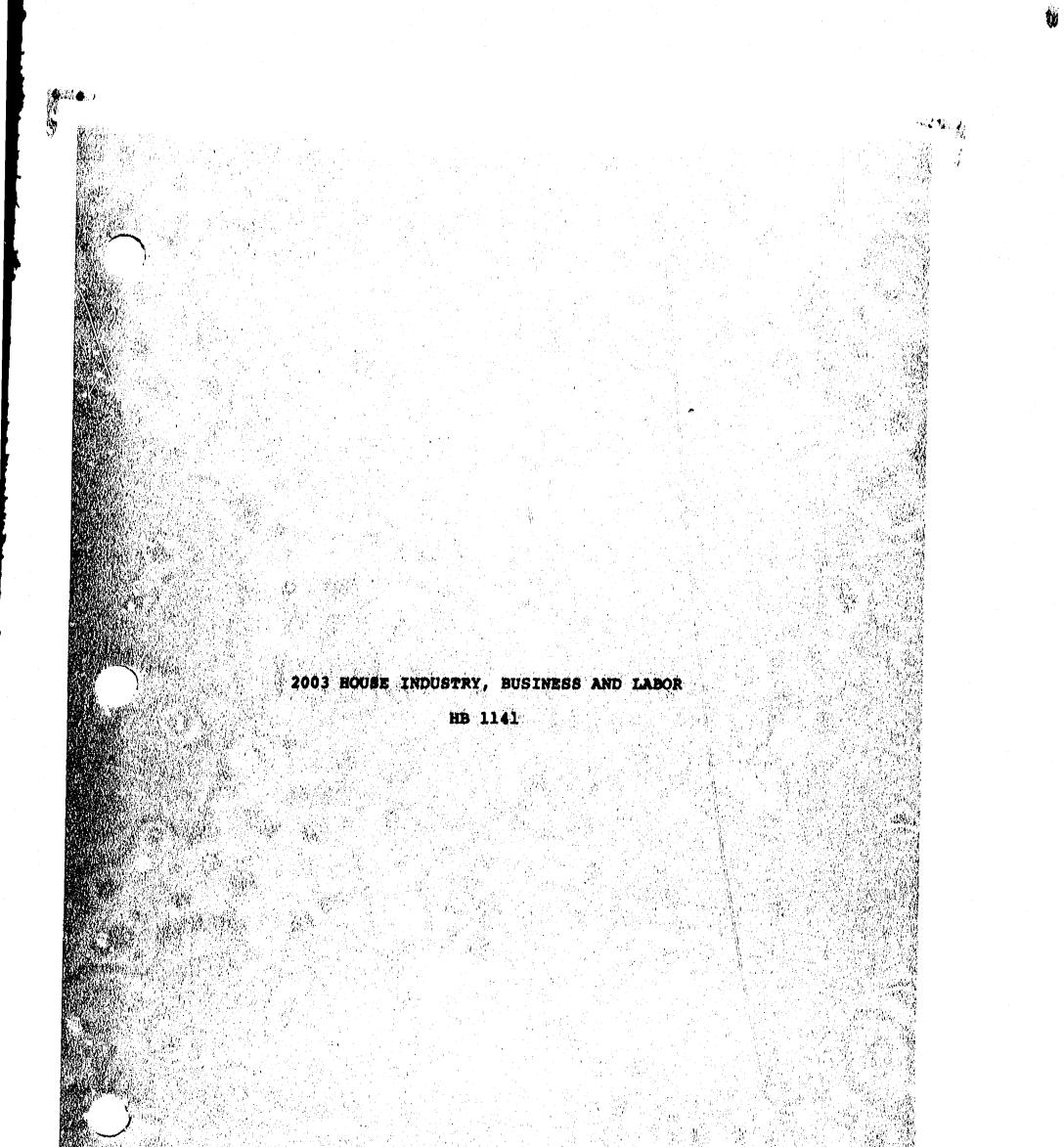
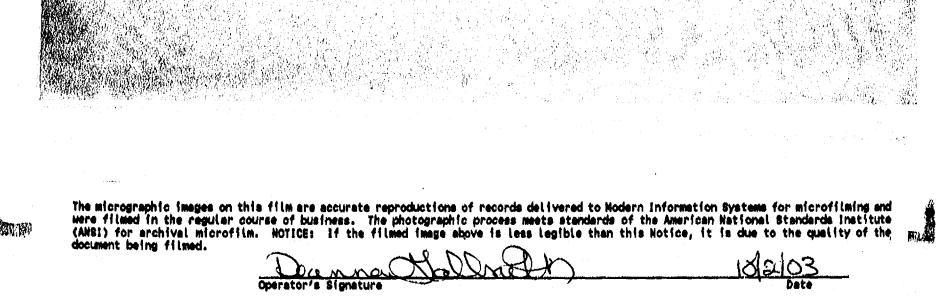


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2003 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 1141

House Industry, Business and Labor Committee

Conference Committee

Hearing Date 1/20/03

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Minutes: Chair Keiser opened the hearing on HB 1141.

Carole Kessel, Chief Examiner for the ND Insurance Dept, appeared to introduce HB 1141 and to urge a do pass by the IBL Committee. (See attached)

In response to a question from **Rep. Ekstrom**, **Kessel** replied that there wasn't a specific incident that brought this bill forward, that it serves as a "heads up".

Replying to **Rep. Klein** question for examples of "changes of a material nature", **Kessel** said the law specifically sets materiality standards for property and casualty insurance. If the agreement is in essence equal to 50% or more of all reinsurance premiums then that would be a material agreement. It's the same as life and health insurance companies. Anything less than that isn't considered material. We follow the standards in the statute.

Chair Keiser asked whether this is especially pertinent considering the volatility of the market. Kessel. Yes, there is lots of reinsurance being transacted now.

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Page 2

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House Industry, Business and Labor Committee Bill/Resolution Number 1141 Hearing Date 1/20/03

Replying to Chair Keiser's question about time frames, Kessel stated that it's 15 days after the end of the calendar month in which the transaction occurs.

As there was no one else present to appear in support of or in opposition to HB 1141, Chair

Keiser closed the hearing. Rep. Froseth moved a Do Pass. Rep. Severson seconded the motion.

Roll call on the motion carried unanimously 14-0-0.

Rep. Froseth will carry this bill on the floor.

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RepresentativesYesNoChairman KeiserVRep.Severson, Vice-ChairVRep.DoschV	Committee Committee USS ISS Inded By Screttan
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Check here for Conference Committee Legislative Council Amendment Number Action Taken Motion Made By Motion Made By <u>Representatives</u> <u>Rep.Severson, Vice-Chair</u> <u>Rep.Dosch</u> <u>Rep. Froseth</u> <u>Rep. Johnson</u> <u>Rep.Kasper</u>	USS SCIENTER Unded By SCIENTER
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If the vote is on an amendment, briefly indicate intent:

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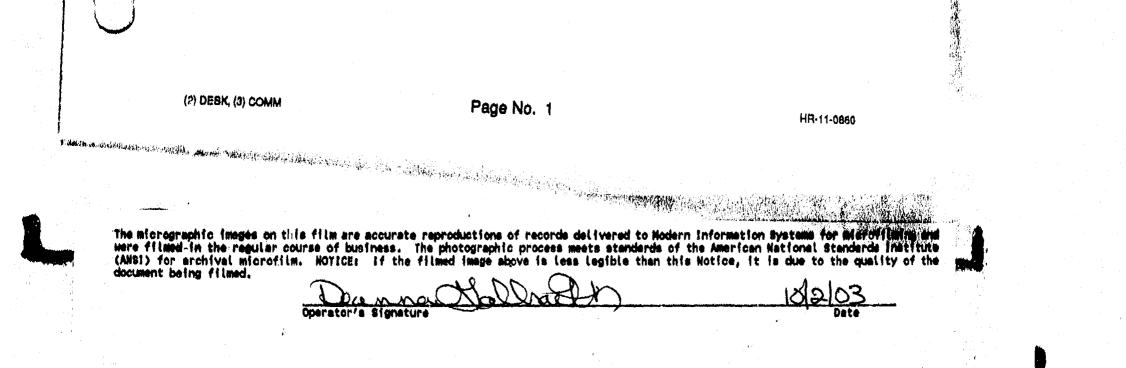
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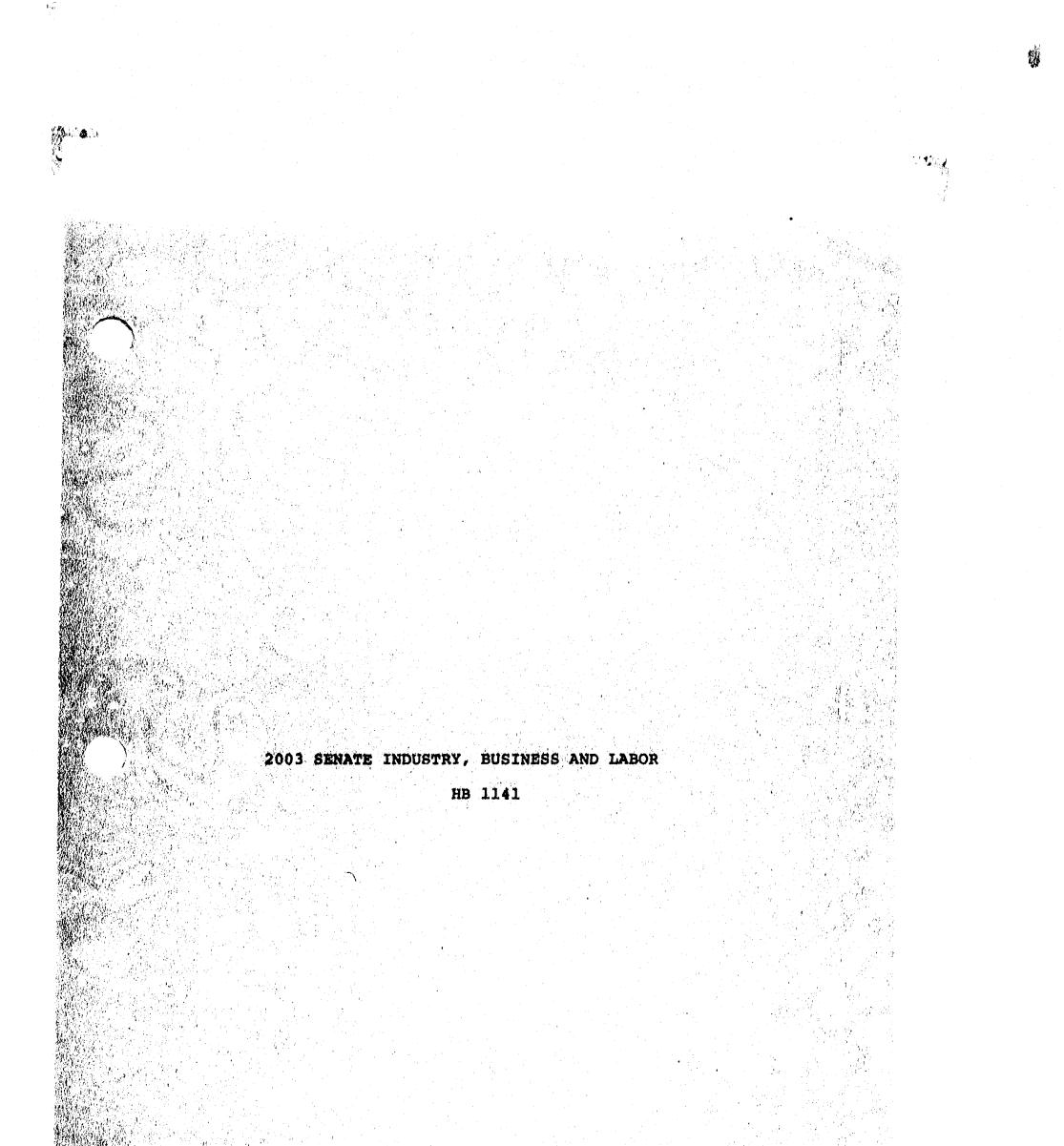
REPORT OF STANDING COMMITTEE (410) January 21, 2003 1:55 p.m.

Module No: HR-11-0860 Carrier: Froseth Insert LC: . Title: . 6

REPORT OF STANDING COMMITTEE

HB 1141: Industry, Business and Labor Committee (Rep. Keiser, Chairman) recommends DO PASS (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1141 was placed on the Eleventh order on the calendar.







The micrographic images on this film are accurate reproductions of records delivered to Modern Information Systems for microfilming and were filmed in the regular course of business. The photographic process meets stendards of the American National Standards Institute (ANSI) for archival microfilm. NOTICE: If the filmed image above is less legible than this Notice, it is due to the quality of the document being filmed.

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2003 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 1141

Senate Industry, Business and Labor Committee

Conference Committee

Hearing Date 03-04-03

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Minutes: Chairman Mutch opened the hearing on HB 1141. All Senators were present.

HB 1141 relates to notice to the insurance commissioner of reinsurance agreements.

Testimony in support of HB 1141

Carole Kessel, Chief Examiner with the North Dakota Insurance Department, introduced that

bill. See attached testimony.

This bill will allow the Commissioner to receive notice of all changes of a material nature in the reinsurance activities of a domestic company. Such notice gives the Department's analysts

current and pertinent information about the Company's operations and financial position.

There was no opposition.

Hearing closed.

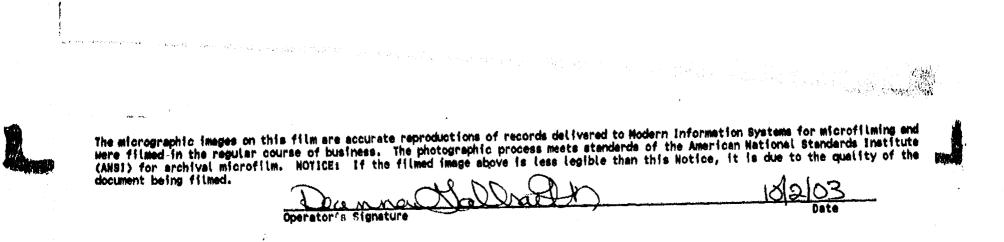
Senator Espegard moved a DO PASS. Senator Krebsbach seconded.

Roll Call Vote: 7 yes. 0 no. 0 absent.

Carrier: Senator Krebsbach

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REPORT OF STANDING COMMITTEE (410) March 4, 2003 1:12 p.m.

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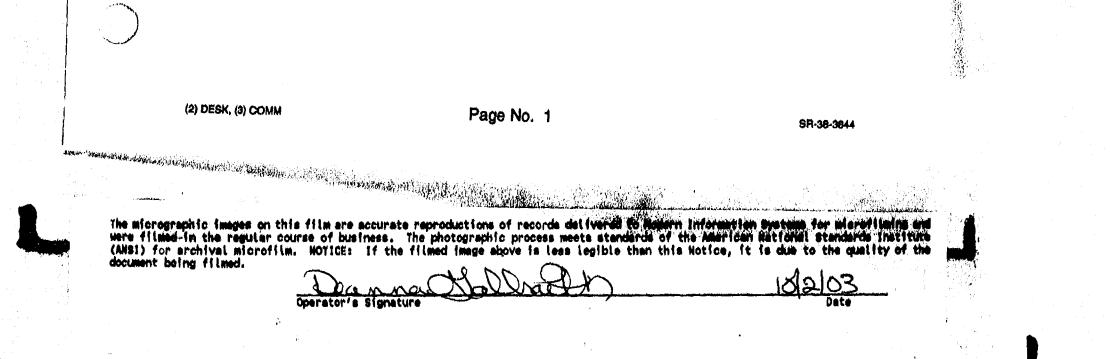
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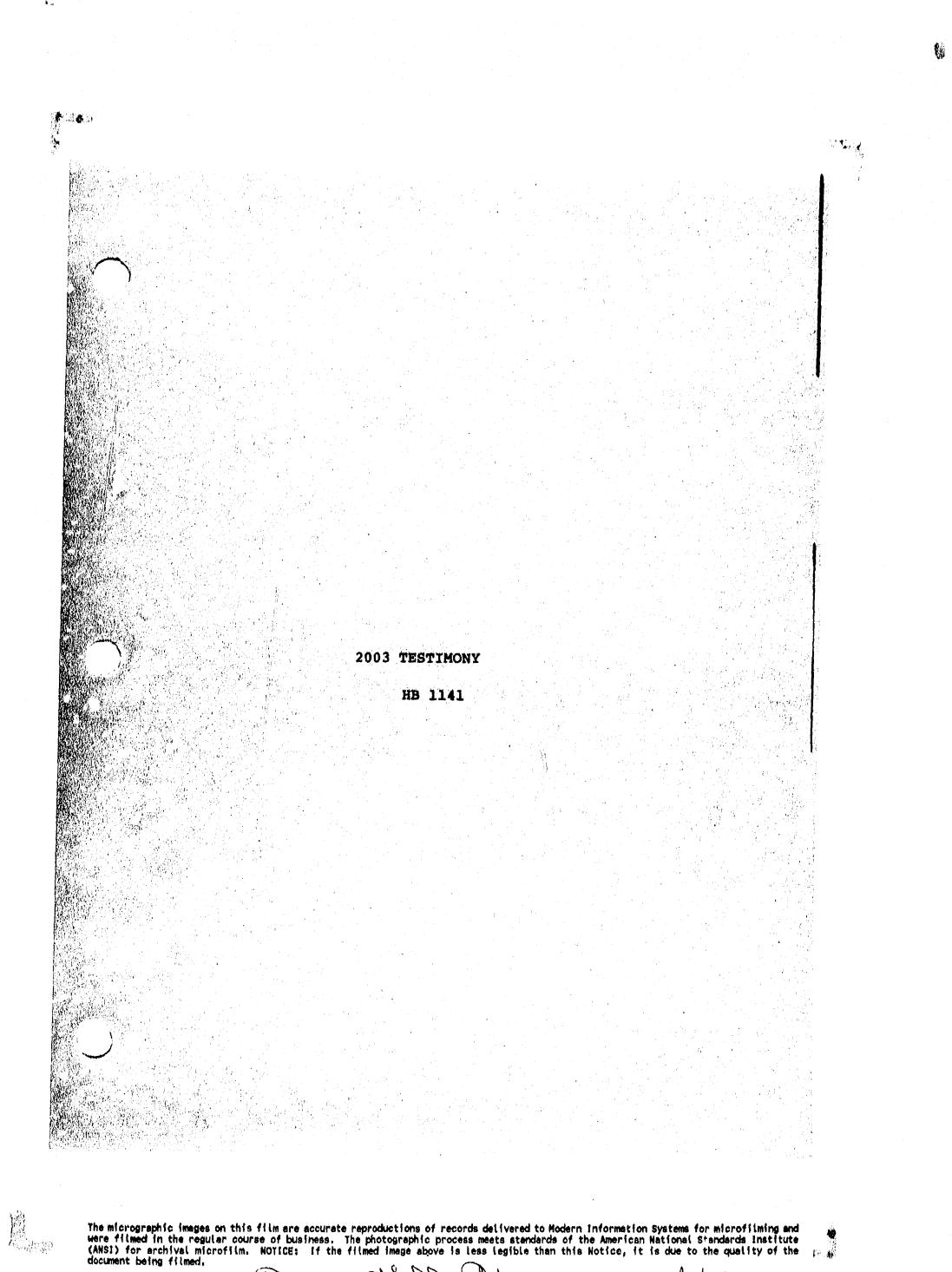
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REPORT OF STANDING COMMITTEE

HB 1141: Industry, Business and Labor Committee (Sen. Mutch, Chairman) recommends DO PASS (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1141 was placed on the Fourteenth order on the calendar.





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HOUSE BILL NO. 1141

Presented by: Carole Kessel Chief Examiner North Dakota Insurance Department

Before:

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e: Industry, Business and Addate Committee Representative Goorge (2018), Chairman

Date: January 20, 2003

TESTIMONY

Mr. Chairman and members of the committee:

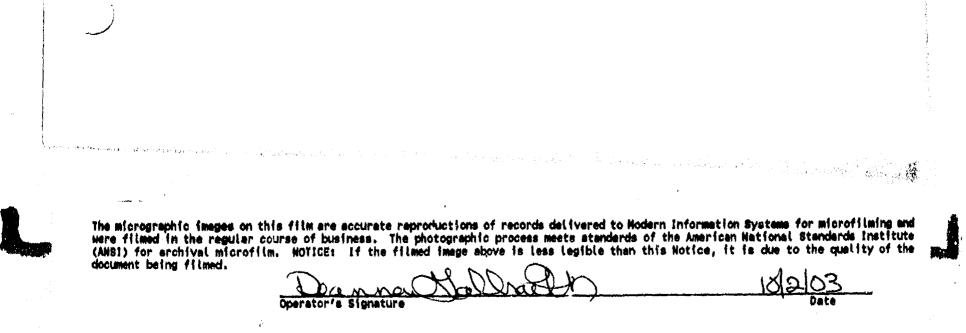
Good afternoon, my name is Carole Kessel, Chief Examiner with the North Dakota Insurance Department. I stand before you today to introduce House Bill No. 1141.

Present law requires insurance companies domiciled in this state to report any material change in an existing reinsurance agreement to the Insurance Commissioner in a timely manner. This bill will expand the reporting requirement to include any new reinsurance agreement, if it is material, which a domestic insurer adds to its reinsurance program during the year.

Reinsurance is the assumption by an insurer of all or part of a risk undertaken originally by another insurer. Some of the beneficial purposes of reinsurance are that it enables the primary insurer to expand its capacity; to share large risks with other insurers; to spread the risk of potential catastrophes and stabilize its underwriting results; to withdraw from a line or class of business; and to reduce its net liability to amounts appropriate to its financial resources.

This bill will allow the Commissioner to receive notice of all changes of a material nature in the reinsurance activities of a domestic company. Such notice gives the Department's analysts current and pertinent information about the Company's operations and financial position.

The Insurance Department urges passage of this bill. If there are any questions, I would be happy to answer them.



HOUSE BILL NO. 1141

Presented by:	Carole Kessel Chief Examiner
	North Dakota Insurance Department
Before:	Industry, Business and Labor Committee Senator Duane Mutch, Chairman

Date: March 4, 2003

TESTIMONY

Mr. Chairman and members of the committee:

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