

**CHAPTER 45-06-17**  
**SELF-INSURANCE HEALTH PLANS**

|             |                                   |
|-------------|-----------------------------------|
| Section     |                                   |
| 45-06-17-01 | Definitions                       |
| 45-06-17-02 | Purpose                           |
| 45-06-17-03 | Scope                             |
| 45-06-17-04 | Ending Self-Insurance Health Plan |
| 45-06-17-05 | Administration                    |
| 45-06-17-06 | Reserves                          |
| 45-06-17-07 | Reporting                         |
| 45-06-17-08 | Trade Practices                   |
| 45-06-17-09 | Disclosure                        |

**45-06-17-01. Definitions.**

1. "Board" means the public employees retirement system board created by North Dakota Century Code section 54-52-03.
2. "Commissioner" means the insurance commissioner.
3. "Fiscal year" means a self-insurance health plan's twelve-month fiscal year.
4. "Runoff self-insurance health plan" means a self-insurance health plan that no longer has authority to self-fund but which continues to exist for the purpose of paying claims, preparing reports, and administering transactions associated with the period when the self-insurance health plan provided coverage.
5. "Self-insurance health plan" has the same meaning as provided under North Dakota Century Code section 54-52.1-01.
6. "Service company" means an entity licensed under North Dakota Century Code chapter 26.1-27 as an administrator of an entity licensed under North Dakota Century Code title 26.1 as an insurance company, health maintenance organization, or nonprofit health service corporation.

**History:** Effective April 1, 2021.

**General Authority:** NDCC 26.1-36.6

**Law Implemented:** NDCC 26.1-36.6

**45-06-17-02. Purpose.**

The provisions in this chapter are intended to ensure the financial integrity and the competent and equitable administration of the self-insurance health plan.

**History:** Effective April 1, 2021.

**General Authority:** NDCC 26.1-36.6

**Law Implemented:** NDCC 26.1-36.6

**45-06-17-03. Scope.**

This chapter applies to all self-insurance health plans established by the board as set forth in North Dakota Century Code chapter 54-52.1.

**History:** Effective April 1, 2021.

**General Authority:** NDCC 26.1-36.6

**Law Implemented:** NDCC 26.1-36.6

#### **45-06-17-04. Ending self-insurance health plan.**

1. **Termination.** The board may terminate its self-insurance health plan as set forth in North Dakota Century Code chapter 54-52.1. The board shall notify the commissioner of its decision to terminate within ninety days of its decision to terminate.
2. **Runoff self-insurance health plan.** A self-insurance health plan must continue to exist as a runoff self-insurance health plan after its authority to self-fund has ended, for the purpose of paying claims, preparing reports, and administering transactions associated with the period during which the self-insurance health plan provided coverage. A runoff self-insurance health plan must continue to comply with this chapter and with other applicable North Dakota laws and rules.

**History:** Effective April 1, 2021.

**General Authority:** NDCC 26.1-36.6

**Law Implemented:** NDCC 26.1-36.6

#### **45-06-17-05. Administration.**

1. **Service company.** The board may contract with one or more service companies for services necessary to conduct the day-to-day operations of the self-insurance health plan. The service company or companies must have expertise in and be licensed for the services provided to the self-insurance health plan. Subject to the oversight of the board, the service company or companies may provide, directly or through subcontractors, services directly related to the administration of coverage.
2. **Recordkeeping and examination authority.** A self-insurance health plan must maintain all records necessary to verify the accuracy and completeness of all reports submitted to the commissioner under section 45-06-17-07. The commissioner may examine the self-insurance health plan's records in order to verify the self-insurance health plan's compliance with this chapter and with other statutes and rules. The provisions of North Dakota Century Code chapter 26.1-03 apply to the commissioner's examination. All records concerning claims, reserves, financial transactions, and other matters necessary for the self-insurance health plan's operations are the self-insurance health plan's property and must be retained for the current year plus the previous five years.

**History:** Effective April 1, 2021.

**General Authority:** NDCC 26.1-36.6

**Law Implemented:** NDCC 26.1-36.6

#### **45-06-17-06. Reserves.**

A reserve must be established for all charges, claims, costs, and expenses of the self-insurance health plan. This reserve must be set at a level to cover between two and four months of expected charges, claims, costs, and expenses. The reserve must be adjusted as new information becomes available.

**History:** Effective April 1, 2021.

**General Authority:** NDCC 26.1-36.6

**Law Implemented:** NDCC 26.1-36.6

#### **45-06-17-07. Reporting.**

1. **Financial statements.** A self-insurance health plan must prepare annual financial statements containing a balance sheet; a statement of revenues, expenses, and surplus; a statement of changes in financial position; and a schedule of investments. The statements must be prepared on forms and according to instructions prescribed by the commissioner. The financial

statements must be filed with the commissioner no later than one hundred eighty days after the end of the self-insurance health plan's fiscal year. In lieu of self-prepared financial statements, a self-insurance health plan may submit audited financial statements prepared by an independent certified public accountant. The auditor's report must be submitted no later than thirty days after completion of the audit.

2. Quarterly reports. If the commissioner determines a self-insurance health plan's financial integrity is such that the self-insurance health plan's ability to meet obligations promptly and in full will be significantly impaired, the commissioner may require the self-insurance health plan to file quarterly reports with the commissioner no later than thirty days after the end of the first, second, and third quarters of each fiscal year. The commissioner may remove the requirement to file quarterly reports when the self-insurance health plan's financial integrity is restored. A quarterly report must contain statements of the self-insurance health plan's:
  - a. Current total cash on hand and on deposit, and total investment;
  - b. Current total reserve for outstanding losses reported and unreported;
  - c. Gross premiums written during the quarter;
  - d. Losses paid during the quarter;
  - e. Current total members; and
  - f. Any other information that the commissioner requests.

**History:** Effective April 1, 2021.  
**General Authority:** NDCC 26.1-36.6  
**Law Implemented:** NDCC 26.1-36.6

#### **45-06-17-08. Trade practices.**

Self-insurance health plans are subject to the provisions of the unfair trade practices act found at North Dakota Century Code section 26.1-04-03.

**History:** Effective April 1, 2021.  
**General Authority:** NDCC 26.1-36.6  
**Law Implemented:** NDCC 26.1-36.6

#### **45-06-17-09. Disclosure.**

Each policy issued by a self-insurance health plan must contain, in at least ten-point type on the front page and declaration page, the following notice:

#### NOTICE

This policy is issued by a self-insurance health plan. A self-insurance health plan may not be subject to all of the insurance laws and regulations of your state. State insurance insolvency guaranty funds are not available for a self-insurance health plan.

**History:** Effective April 1, 2021.  
**General Authority:** NDCC 26.1-36.6  
**Law Implemented:** NDCC 26.1-36.6