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2003 HOUSE INDUSTRY, BUSINESS AND LABOR

HB 1141

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Deanna Hallmark
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10/2/03
Date

2003 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 1141

House Industry, Business and Labor Committee

☐ Conference Committee

Hearing Date 1/20/03

Tape Number	Side A	Side B	Meter #
3	x		44.3-52.0
Committee Clerk Signature <i>Justin Hammer</i>			

Minutes: Chair Kelser 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 Kelser 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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10/2/03
Date

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House Industry, Business and Labor Committee

Bill/Resolution Number 1141

Hearing Date 1/20/03

Replying to Chair Kelser'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 Kelser 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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Deanna G. Ball
Operator's Signature

1/21/03
Date

Date: 1/20/03
Roll Call Vote #: 1

2003 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1141

House Industry, Business & Labor Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number Do Pass

Action Taken

Motion Made By

Seconded By

Representatives	Yes	No	Representatives	Yes	No
Chairman Keiser	✓		Rep.Boe	✓	
Rep.Severson, Vice-Chair	✓		Rep.Ekstrom	✓	
Rep.Dosch	✓		Rep.Thorpe	✓	
Rep. Froseth	✓		Rep. Zaiser		
Rep. Johnson	✓				
Rep.Kasper	✓				
Rep. Klein	✓				
Rep. Nottlestad	✓				
Rep. Ruby	✓				
Rep.Tieman	✓				

Total (Yes)

No

Absent

Floor Assignment

If the vote is on an amendment, briefly indicate intent:

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

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

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

(2) DESK, (3) COMM

Page No. 1

HR-11-0860

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Operator's Signature

10/2/03
Date

2003 SENATE INDUSTRY, BUSINESS AND LABOR

HB 1141

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Dannewald
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10/2/03
Date

2003 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 1141

Senate Industry, Business and Labor Committee

☐ Conference Committee

Hearing Date 03-04-03

Tape Number	Side A	Side B	Meter #
1		XXXXX	2550-2960
Committee Clerk Signature <i>Lisa Huber</i>			

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 Espgaard moved a DO PASS. Senator Krebsbach seconded.

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

Carrier: Senator Krebsbach

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Dennis Hall
Operator's Signature

10/2/03
Date

Date: 3-4-03
Roll Call Vote #: 1

2003 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO.

Senate 141 Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass

Motion Made By Espegard Seconded By Krebsbach

Senators	Yes	No	Senators	Yes	No
Sen. Mutch, Chairman	X				
Sen. Klein, Vice Chairman	X				
Sen. Krebsbach	X				
Sen. Nething	X				
Sen. Heitkamp	X				
Sen. Every	X				
Sen. Espegard	X				

Total (Yes) 7 No 0

Absent 0

Floor Assignment Krebsbach

If the vote is on an amendment, briefly indicate intent:

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Deanna Hallmark 10/2/03
Operator's Signature Date

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

Module No: SR-38-3844
Carrier: Krebbsbach
Insert LC: . Title: .

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.

(2) DESK, (3) COMM

Page No. 1

SR-38-3844

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10/2/03
Date

2003 TESTIMONY

HB 1141

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Dorena G. Ballantyne
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10/2/03
Date

HOUSE BILL NO. 1141

Presented by: Carole Kessel
Chief Examiner
North Dakota Insurance Department

Before: Industry, Business and Labor Committee
Representative George K. Meyer, 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.

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Dorinda Ballal
Operator's Signature

1/21/03
Date

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:

Good morning, 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.

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