

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION

SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

1213

2005 HOUSE INDUSTRY, BUSINESS AND LABOR

HB 1213

2005 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1213

House Industry, Business and Labor Committee

☐ Conference Committee

Hearing Date 1-31-05

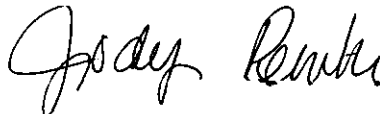
Tape Number
3

Side A
x

Side B

Meter #
3.2-5.6

Committee Clerk Signature



Minutes:

Chairman Keiser: Opened the hearing on HB 1213. All committee members were present.

Jim Poolman, Commissioner, ND Insurance Department: Appeared in support of bill and provided a written statement (SEE ATTACHED TESTIMONY). I am providing an amendment also. And If the committee would be interested in putting in a emergency clause we would appreciate it.

Representative Nottestad: I move to **ADOPT** amendments as presented by Commissioner Poolman and also add **emergency clause**.

Representative Thorpe: **SECOND** the **ADOPTION** of amendments.

Motion Carried.

Representative Thorpe: I move a **DO PASS AS AMENDED** on HB 1213.

Representative Dietrich: **SECOND** the **DO PASS AS AMENDED**.

Motion carried **VOTE: 13-YES 0-NO 1-ABSENT (EKSTROM).**

January 31, 2005

PROPOSED AMENDMENT TO HOUSE BILL NO. 1213

Page 1, line 2, replace "authorized" with "unauthorized"

Renumber accordingly

January 31, 2005

VR
1/31/05

HOUSE AMENDMENTS TO HOUSE BILL NO. 1213 IBL 1-21-05

Page 1, line 2, replace "authorized" with "unauthorized" and after "license" insert "; and to declare an emergency"

Page 1, after line 8, insert:

"SECTION 2. EMERGENCY. This Act is declared to be an emergency measure."

Renumber accordingly

Date: 1-31-05
Roll Call Vote #: 1

2005 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. AB 1213

House

INDUSTRY, BUSINESS AND LABOR

Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number

Action Taken Adopt Amendments as presented by Commissioner Podman & add
Emergency Clause

Motion Made By Rep. Nottestad Seconded By Rep. Thorpe

Representatives	Yes	No	Representatives	Yes	No
G. Keiser-Chairman	X		Rep. B. Amerman	X	
N. Johnson-Vice Chairman	X		Rep. T. Boe	X	
Rep. D. Clark	X		Rep. M. Ekstrom	A	A
Rep. D. Dietrich	X		Rep. E. Thorpe	X	
Rep. M. Dosch	X				
Rep. G. Froseth	X				
Rep. J. Kasper	X				
Rep. D. Nottestad	X				
Rep. D. Ruby	X				
Rep. D. Vigasaa	X				

Total (Yes) 13 No 0

Absent 1 Rep. Ekstrom

Floor Assignment

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

Roll Call Vote #: *2* Date: *1-21-05*

2005 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. *HB 1213*

House

INDUSTRY, BUSINESS AND LABOR

Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number

Action Taken

DO PASS AS Amended : add emergency clause

Motion Made By

Rep. Thorpe

Seconded By

Rep. Dietrich

Representatives	Yes	No	Representatives	Yes	No
G. Keiser-Chairman	<i>X</i>		Rep. B. Amerman	<i>X</i>	
N. Johnson-Vice Chairman	<i>X</i>		Rep. T. Boe	<i>X</i>	
Rep. D. Clark	<i>X</i>		Rep. M. Ekstrom	<i>A</i>	<i>A</i>
Rep. D. Dietrich	<i>X</i>		Rep. E. Thorpe	<i>X</i>	
Rep. M. Dosch	<i>X</i>				
Rep. G. Froseth	<i>X</i>				
Rep. J. Kasper	<i>X</i>				
Rep. D. Nottestad	<i>X</i>				
Rep. D. Ruby	<i>X</i>				
Rep. D. Vigasaa	<i>X</i>				

Total (Yes)

13

No

0

Absent

1

Rep. EKstrom

Floor Assignment

Rep. Clark.

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

REPORT OF STANDING COMMITTEE

HB 1213: Industry, Business and Labor Committee (Rep. Keiser, Chairman)
recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends
DO PASS (13 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HB 1213 was placed
on the Sixth order on the calendar.

Page 1, line 2, replace "authorized" with "unauthorized" and after "license" insert "; and to
declare an emergency"

Page 1, after line 8, insert:

"SECTION 2. EMERGENCY. This Act is declared to be an emergency
measure."

Renumber accordingly

2005 SENATE INDUSTRY, BUSINESS AND LABOR

HB 1213

2005 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1213

Senate Industry, Business and Labor Committee

☐ Conference Committee

Hearing Date 3-08-05

Tape Number

1

Side A

Side B

xxx

Meter #

995-1350

Committee Clerk Signature



Minutes: **Chairman Mutch** opened the hearing on HB 1213. **Senator Fairfield** was absent.

HB 1213 relating to the penalty for an insurance company selling unauthorized insurance without a license.

Jim Poolman, North Dakota Insurance Commissioner, introduced the bill. See written testimony.

Senator Klein: Do you ever get to the bottom of these offshore "fake" companies?

Poolman: When we issued our ceased and desist order against professional liability insurance companies, they never responded to it. This gives us more authority to bring those crooks to justice, criminally.

Chairman Mutch: This also includes the sales agent?

Poolman: There is a separate section in code related to that.

Senator Klein moved a **DO PASS**. **Senator Krebsbach** seconded.

Roll Call Vote: 6 yes. 0 no. 1 absent. **Carrier: Senator Klein**

Date: 3-8-05
Roll Call Vote #: 1

2005 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1213

Senate Industry, Business, and Labor

Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number

Action Taken

Do Pass

Motion Made By

Klein

Seconded By

Krebsbach

Senators
Chairman Mutch
Senator Klein
Senator Krebsbach
Senator Espegard
Senator Nething

Yes No
X
X
X
X
X

Senators
Senator Fairfield
Senator Heitkamp

Yes No
A
X

Total (Yes)

6

No

0

Absent

1

Floor Assignment

Nething Klein

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

REPORT OF STANDING COMMITTEE (410)
March 8, 2005 1:16 p.m.

Module No: SR-42-4400
Carrier: Klein
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

HB 1213, as engrossed: Industry, Business and Labor Committee (Sen. Mutch, Chairman) recommends DO PASS (6 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). Engrossed HB 1213 was placed on the Fourteenth order on the calendar.

2005 TESTIMONY

HB 1213

HOUSE BILL NO. 1213

Presented by: Jim Poolman
Commissioner
North Dakota Insurance Department

Before: House Industry, Business and Labor Committee
Representative George Keiser, Chairman

Date: January 31, 2005

TESTIMONY

Mr. Chairman and members of the committee:

Good morning. My name is Jim Poolman, North Dakota Insurance Commissioner. I stand before you today in support of House Bill No. 1213. Thank you to Representative Dosch for being the prime sponsor on the bill.

This bill amends N.D. Cent. Code § 26.1-02-05 relating to the penalty provided for any unauthorized insurance company or other entity that transacts the unauthorized act of insurance business in the state. Essentially, this section increases the penalty from a Class A misdemeanor to a Class C felony and makes it the same type of penalty as provided in N.D. Cent. Code Chapter 26.1-26 relating to acting as an insurance producer without a license in this state.

As Commissioner, I strongly believe that the increase in the penalty is needed in order to give my office extra enforcement tools to combat the different type of insurance scams and illegal entities that we have seen recently marketing insurance in this state to North Dakota residents without complying with the required insurance laws. Currently, I am able to issue an administrative Cease and Desist Order and impose additional fines if necessary. However, normally these type of unlicensed entities marketing various insurance scams will ignore an administrative penalty and, therefore,

I would like the ability to work with local law enforcement and aggressively pursue criminal penalties in addition to any administrative sanctions taken by my office.

That concludes my testimony on House Bill No. 1213. I encourage a favorable consideration from the committee on this bill. If there are any questions, I would be happy to answer them.

Thank you.

ENGROSSED HOUSE BILL NO. 1213

Presented by: Jim Poolman
Commissioner
North Dakota Insurance Department

Before: Senate Industry, Business and Labor Committee
Senator Duane Mutch, Chairman

Date: March 8, 2005

TESTIMONY

Mr. Chairman and members of the committee:

Good morning. My name is Jim Poolman, North Dakota Insurance Commissioner. I stand before you today in support of Engrossed House Bill No. 1213. Thank you to Representative Dosch for being the prime sponsor on the bill.

This bill amends N.D. Cent. Code § 26.1-02-05 relating to the penalty provided for any unauthorized insurance company or other entity that transacts the unauthorized act of insurance business in the state. Essentially, this section increases the penalty from a Class A misdemeanor to a Class C felony and makes it the same type of penalty as provided in N.D. Cent. Code Chapter 26.1-26 relating to acting as an insurance producer without a license in this state.

As Commissioner, I strongly believe that the increase in the penalty is needed in order to give my office extra enforcement tools to combat the different type of insurance scams and illegal entities that we have seen recently marketing insurance in this state to North Dakota residents without complying with the required insurance laws. Currently, I am able to issue an administrative Cease and Desist Order and impose additional fines if necessary. However, normally these type of unlicensed entities marketing various insurance scams will ignore an administrative penalty and, therefore,

I would like the ability to work with local law enforcement and aggressively pursue criminal penalties in addition to any administrative sanctions taken by my office.

That concludes my testimony on Engrossed House Bill No. 1213. I encourage a favorable consideration from the committee on this bill. If there are any questions, I would be happy to answer them.

Thank you.