

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1010

Page 1, line 3, replace "section" with "sections" and after "26.1-01-09" insert "and 26.1-36-37.2"

Page 1, line 4, after "salary" insert "and loss ratios"

Page 1, line 21, replace "361,269" with "355,279"

Page 1, line 22, replace "331,876" with "381,876"

Page 2, line 1, replace "2,116,000" with "1,091,000"

Page 2, line 2, replace "2,702,245" with "1,721,255"

Page 2, line 3, replace "2,802,245" with "1,821,255"

Page 2, line 10, replace "5,059,647" with "5,053,657"

Page 2, line 11, replace "2,113,377" with "2,163,377"

Page 2, line 12, replace "7,420,000" with "6,395,000"

Page 2, line 13, replace "14,593,024" with "13,612,034"

Page 2, line 15, replace "\$7,420,000" with "\$6,395,000"

Page 2, line 16, replace "\$7,200,000" with "\$6,200,000"

Page 2, line 18, replace "\$100,000" with "\$75,000"

Page 3, after line 9, insert:

"SECTION 10. ADDITIONAL CRITICAL METHAMPHETAMINE-USE ZONE.

Notwithstanding rules adopted by the commissioner identifying a critical methamphetamine-use zone, the commissioner shall designate the counties of Walsh, Cavalier, and Pembina as a critical methamphetamine-use zone subject to section 19-20.2-11 and rules adopted pursuant to that section. Section 3 of this Act includes the sum of \$50,000 from the insurance regulatory trust fund, or so much of the sum as is necessary, to implement security measures established by the commissioner, including the purchase and distribution of locking devices, in the counties of Walsh, Cavalier, and Pembina, for the biennium beginning July 1, 2005, and ending June 30, 2007."

Page 3, after line 15, insert:

"SECTION 12. AMENDMENT. Section 26.1-36-37.2 of the North Dakota Century Code is amended and reenacted as follows:

26.1-36-37.2. Loss ratios - Rules. ~~For all policies providing hospital, surgical, medical, or major medical benefit, an~~ An insurance company, a nonprofit health service

corporation, a fraternal benefit society, and any other entity providing a plan of accident or health insurance or other health benefit subject to state insurance regulation shall return benefits to group policyholders in the aggregate of not less than seventy five a percent of premium received and to individual policyholders in the aggregate of not less than sixty five percent of premium received, as determined by the commissioner. The commissioner shall adopt rules to establish these minimum standards on the basis of incurred claims experienced and earned premiums for the entire period for which rates are computed to provide coverage in accordance with accepted actuarial principles and practices. This section does not apply to any contract or plan of insurance that provides exclusively for accident, disability income insurance, specified disease, hospital confinement indemnity, or other limited benefit health insurance."

Re-number accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1010 - Insurance Department - Senate Action

	EXECUTIVE BUDGET	HOUSE VERSION	SENATE CHANGES	SENATE VERSION
Salaries and wages	\$5,080,549	\$5,059,647	(\$5,990)	\$5,053,657
Operating expenses	2,113,377	2,113,377	50,000	2,163,377
Grants	<u>5,304,000</u>	<u>7,420,000</u>	<u>(1,025,000)</u>	<u>6,395,000</u>
Total all funds	\$12,497,926	\$14,593,024	(\$980,990)	\$13,612,034
Less estimated income	<u>12,497,926</u>	<u>14,593,024</u>	<u>(980,990)</u>	<u>13,612,034</u>
General fund	\$0	\$0	\$0	\$0
FTE	46.50	46.50	0.00	46.50

Dept. 401 - Insurance Department - Detail of Senate Changes

	REDUCES RECOMMENDED FUNDING FOR HEALTH INSURANCE 1	PROVIDES FUNDING FOR IMPLEMENTING METHAMPHETAMINE SECURITY MEASURES ²	REDUCES FUNDING FOR PAYMENTS TO FIRE DEPARTMENTS 3	REDUCES FUNDING FOR A GRANT TO THE NORTH DAKOTA ASSOCIATION OF OIL AND GAS PRODUCING COUNTIES 4	TOTAL SENATE CHANGES
Salaries and wages	(\$5,990)				(\$5,990)
Operating expenses		\$50,000			50,000
Grants			(\$1,000,000)	(\$25,000)	(1,025,000)
Total all funds	(\$5,990)	\$50,000	(\$1,000,000)	(\$25,000)	(\$980,990)
Less estimated income	<u>(5,990)</u>	<u>50,000</u>	<u>(1,000,000)</u>	<u>(25,000)</u>	<u>(980,990)</u>
General fund	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00	0.00

¹ This amendment reduces funding for state employee health insurance premiums from \$559.15 to \$553.95 per month.

² This amendment provides a \$50,000 special funds appropriation from the insurance regulatory trust fund for implementing methamphetamine security measures, including the purchase and distribution of locking devices. The amendment also adds a new section to the bill allowing the commissioner to designate the counties of Walsh, Cavalier, and Pembina as a critical methamphetamine-use zone.

³ This amendment reduces funding provided from the insurance premium tax collections for payments to fire departments by \$1 million, from \$7.2 million as provided by the House to \$6.2 million. Funding of \$6.2 million represents an increase in funding of \$1 million, from the \$5.2 million provided in the 2003-05 biennium.

⁴ This amendment reduces funding provided from the insurance premium tax collections for a grant to the North Dakota Association of Oil and Gas Producing Counties by \$25,000, from \$100,000 as provided by the House to \$75,000.

This amendment also amends section 26.1-36-37.2 of the North Dakota Century Code relating to loss ratios.