

**SENATE BILL NO. 2276**

Introduced by

Senators Potter, Andrist, Mathern

Representatives Conrad, Glassheim, Griffin

1 A BILL for an Act to amend and reenact section 26.1-36-37.2 of the North Dakota Century  
2 Code, relating to disclosure of accident and health insurance loss ratios.

3 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

4 **SECTION 1. AMENDMENT.** Section 26.1-36-37.2 of the North Dakota Century Code  
5 is amended and reenacted as follows:

6 **26.1-36-37.2. Loss ratios - Rules - Disclosure.**

- 7 1. For all policies providing hospital, surgical, medical, or major medical benefit, an  
8 insurance company, a nonprofit health service corporation, a fraternal benefit  
9 society, and any other entity providing a plan of health insurance or health benefit  
10 subject to state insurance regulation shall return benefits to group policyholders in  
11 the aggregate of not less than seventy percent of premium received and to  
12 individual policyholders in the aggregate of not less than fifty-five percent of  
13 premium received.
- 14 2. The commissioner shall adopt rules to establish these minimum standards on the  
15 basis of incurred claims experienced and earned premiums for the entire period for  
16 which rates are computed to provide coverage in accordance with accepted  
17 actuarial principles and practices. ~~This~~ The loss ratio limits under this section does  
18 do not apply to any contract or plan of insurance that provides exclusively for  
19 accident, disability income insurance, specified disease, hospital confinement  
20 indemnity, or other limited benefit health insurance.
- 21 3. For all policies providing hospital, surgical, medical, major medical benefit,  
22 accident, disability income insurance, specified disease, hospital confinement  
23 indemnity, or other limited benefit health insurance, and insurance company, a  
24 nonprofit health service corporation, a fraternal benefit society, and any other entity

1            providing such a plan that is subject to state insurance regulation shall provide a  
2            disclosure of the anticipated loss ratios for the plan. The disclosure required under  
3            this subsection must be provided to the insured at initial policy application or  
4            coverage and at any time the plan's premium changes thereafter. A disclosure  
5            provided under this subsection must be provided in clear language that makes it  
6            clear what portion of premium covers administration and profit.