

SENATE BILL NO. 2055

Presented by: John Arnold
Deputy Insurance Commissioner
North Dakota Insurance Department

Before: House Industry, Business and Labor Committee
Representative Scott Louser, Chairman

Date: March 1, 2023

Good morning, Chairman Louser and members of the Committee. My name is John Arnold, Deputy Insurance Commissioner. I stand before you today on behalf of Commissioner Godfreed in support of Senate Bill 2055, which is an agency bill addressing a number of matters related to producer licensing. As some of you may know, the Department prioritizes a continual review of our processes and procedures with the goal of continual improvement. SB 2055 is an example of a product of our internal reviews.

Section one of the bill allows the Department to deem an application for a producer license to be withdrawn when the applicant fails to respond to questions within twenty days. Currently, when applicants fail to respond the Department has two choices, either keep the application in a pending status for an indefinite period of time or denial of the application. A denial is considered an administrative action that can lead to future complications for applicants. Allowing the Department to withdraw an application means that the steepest penalty an applicant will face is repayment of the application fee if they decide to reapply in the future.

Section two removes the Social Security Number and Internal Revenue Service identification number from a producer's license. While this information remains in the producer licensing database for identification purposes, it is being removed from the representation of the license to help protect the producer's identity.

Section three requires producers to update their email addresses with the Department when those change.

Section four corrects a cross-reference that was broken by an amendment made to 26.1-26-13.3 in SB 2304 during the 63rd Legislative Assembly.

Section five reduces the application fee for business entities acting as public adjustors to \$50, to be uniform with the fee paid by individuals.

Section six changes the renewal deadline for business entities acting as public adjustors to expire on the last day of the month following the two-year anniversary of issuance, making it uniform with other producer license renewal deadlines, including individuals acting as public adjustors.

Sections seven and eight amend the renewal deadlines for life settlement brokers and life settlement providers from the annual anniversary of license issuance to April 30th each year. This makes these license renewal deadlines the same as third-party administrators.

Section nine repeals sections 26.1-26-37 and 26.1-26-46 of the Century Code. Both of these sections relate to physical copies of a producer's license that used to be issued by the Department. However, the Department now issues digital copies of the license that a producer always has access to online, meaning that the Department no longer needs to charge a fee for replacement or request that they be returned after a suspension or revocation.

Thank you, Chairman Louser and members of the committee. I respectfully request a "do pass" recommendation from the committee and am happy to answer any questions that you may have.

26.1-26-37. Lost, stolen, or destroyed license - Issuance of duplicate.

Upon payment of the fee for a duplicate license under section 26.1-01-07, the commissioner may issue a duplicate license for any lost, stolen, or destroyed license issued pursuant to this chapter upon an affidavit of the licensee, as prescribed by the commissioner, concerning the facts of the loss, theft, or destruction.

26.1-26-46. License suspension or revocation - Duty of licensee.

Upon suspension or revocation of a license, the licensee shall forthwith deliver it to the commissioner by personal delivery or by mail.