

2025 HOUSE INDUSTRY, BUSINESS AND LABOR

HB 1398

2025 HOUSE STANDING COMMITTEE MINUTES

Industry, Business and Labor Committee Room JW327C, State Capitol

HB1398
1/20/2025

A BILL for an Act to amend and reenact section 26.1-03-10 of the North Dakota Century Code, relating to the publication of an abstract of annual statement.

11:06 a.m. Chairman Warrey opened the meeting.

Members Present: Chairman Warrey, Vice Chairman Ostlie, Vice Chairman Johnson, Representatives Bahl, Brown, Christy, Finley-DeVille, Grindberg, Kasper, Koppelman, D. Ruby, Schatz, Schauer, Vollmer

Discussion Topics:

- ND 73 newspapers
- 8 Judicial districts
- Small town newspapers
- Statewide advertising
- Small community pulse
- Law interpretation
- Terms of transparency
- Company solvency

11:06 a.m. Representative Jim Grueneich, District 28, Ellendale, ND, introduced and testified.

11:09 a.m. Cecile Wehrman, Executive Director, ND Newspaper Association, testified in favor and submitted testimony #29949.

11:19 a.m. Arthur Hagebock, Owner/publisher, Pure Prairie Publishing, testified in favor and submitted testimony #29879.

11:30 a.m. Paul Erdelt, Steele Ozone, testified in favor and submitted testimony #29986.

11:37 a.m. John Arnold, Deputy Commissioner, ND Insurance Department, testified in opposition and submitted testimony #30103 and #30211.

Additional written testimony:

Terry Schwartzenberger, Publisher, Napoleon Homestead, submitted testimony in favor #29824.

Kristi Hohl, Publisher, Burke County Tribune, submitted testimony in favor #29851.

Jill Friesz, Owner/Publisher, GS Publishing, LLC, submitted testimony in favor #29873.

Kathie Sarbaum, Editor, Kulm Messenger, submitted testimony in favor #29980.

Benjiman R. Cartwright, Owner/publisher, The Standard, submitted testimony in favor #30004.

Allison Olimb, President, ND Newspaper Association, submitted testimony in favor #30035.

House Industry, Business and Labor Committee

HB 1398

01/20/25

Page 2

Amy Wobbema, Owner/Publisher, Transcript Publishing, submitted testimony in favor #30071.

Keri K. Sailer, Managing Editor, Lamour Chronicle, submitted testimony in favor #30083.

11:52 a.m. Chairman Warrey closed the meeting.

Diane Lillis, Committee Clerk

Good afternoon, Committee Members

I understand HB 1398 is to be heard Monday.

This bill would bring back transparency to all citizens of North Dakota. Up unto this point members of the North Dakota Newspaper Association along with the ND Insurance Department have been working to work out a compromise, however since a reasonable compromise could not be obtained, thus the reason for HB 1398.

Since the beginning of North Dakota newspapers which stretches almost 139 years for the Napoleon Homestead, newspapers have been the 'go-to' medium for finding beneficial and accurate information. For years the Napoleon Homestead has been proud to be able to provide information to readers on all levels, be it news, photos, advertising or public notices. Over the years I've had folks stop by the office, call or email seeking an official copy or replica of the newspaper as they were fact checking or researching something. As it is our business to inform the public, we are happy to assist when we can in hopes of providing beneficial information.

As a small-town newspaper owner, I take the responsibility of providing public notices to the general public as an honor and privilege. An informed citizen is an educated one, and when we as newspaper folks provide information, we are also assisting in educating the general public. HB 1398 would also be part of the education process.

HB 1398 is just one more way of keeping the general public informed through a neutral medium. HB 1398 does not cost the state of North Dakota any funds and the cost to insurance companies for complying with this law would roughly be \$250 per year per company. This is a small fee to pay for the ability to do business in North Dakota and to allow citizens of this state the ability to read for themselves in their local papers about the financial position of an insurance company.

Thank you for your time and consideration as I am requesting a do pass on HB 1398.

Terry Schwartzenberger
Editor/publisher
Napoleon Homestead
701-321-2338

Chairman and Members of the Committee,

Please disregard my first letter. I am passionate about publishing insurance abstracts in all newspapers, and in my haste believed the legislature was still deciding about whether to change the law to publish the abstracts in just a small number of newspapers. I support HB #1398 and ask that you do the same.

Thank you for the opportunity to provide testimony regarding House Bill #1398, which pertains to the publication of insurance abstracts in North Dakota newspapers.

Transparency has always been a cornerstone of our state's governance and communication with its citizens. Since the days when North Dakota was a territory, newspapers have played a vital role in ensuring public access to critical information. The publication of legal notices, including insurance abstracts, is not just a tradition—it is a proven method of informing the public about matters that may directly affect them.

Contrary to what some may believe, there are readers who regularly engage with and rely on this information. Newspapers remain an accessible and trusted source of local news and public notices for a significant portion of our population, particularly in rural areas. Many North Dakotans, especially those who may not have consistent internet access or feel comfortable navigating online platforms, still turn to their local newspapers for reliable, pertinent updates.

Additionally, the cost to insurance companies to publish these abstracts is minimal—just \$250 per year. This modest expense is a small price for ensuring public access to this insurance-related information and supporting a transparent system that benefits all North Dakotans.

It is also crucial to acknowledge the financial implications that the removal of this requirement will have on local newspapers across the state. Many of these newspapers operate on tight margins and rely on revenue from publishing legal notices to sustain their operations. Losing this source of income could force some newspapers to downsize, reduce coverage, or, in the worst cases, shut their doors entirely. Such closures would be a tremendous loss, not only for the newspaper industry but also for the communities they serve, as these publications often serve as the primary source of local news, events, and public records.

Rejecting House Bill #1398 undermines the principles of transparency and accountability and jeopardizes the ability of North Dakota newspapers to fulfill their vital role in serving our citizens. I respectfully urge the committee to support this bill and restore this essential and longstanding channel for public information.

Thank you for your time and consideration.

Kristi Bohl, Publisher

Burke County Tribune



GS Publishing, LLC

Grant County News | Carson Press

P.O. Box 100, Elgin, ND 58533 701.584.2900

Adams County Record | Hettinger County Herald

P.O. Box 749 Hettinger, ND 58639 701.567.2424

Golden Valley News | Billings County Pioneer

P.O. Box 156 Beach, ND 58621 701.872.3755

Morton County News Journal

P.O. Box 416, New Salem, ND 58563 701.843.7567

CHAIRMAN WARREY AND COMMITTEE MEMBERS,

My name is Jill Friesz, owner of GS Publishing, LLC. I own and operate seven weekly newspapers in the southwest corner of the state, and I am an advocate for all newspapers from the state of North Dakota.

I am writing to you today to ask you to please PASS the amendment proposed to House Bill 1398. I firmly believe all residents across the state deserve access to this information, not just those living near the eight newspapers currently designated to publish abstracts from 2,000 out-of-state insurance companies.

As you consider legislation that impacts the lives of North Dakotans, we must prioritize transparency and accountability that are vital for empowering consumers to make informed choices. When insurance abstracts are made publicly available to all readers, individuals can better understand the financial stability of the companies providing these services.

In North Dakota, 86% of adults read print or digital newspapers every month. Distribution throughout all newspapers across the state is the most efficient way to disperse important information. The Insurance Commissioner has proven this is an effective tool as his department consistently submits press releases to all 73 North Dakota newspapers to share timely and essential information.

In addition to achieving our main purpose of providing important information to the readers and keeping historical records, each newspaper receives a financial gain by publishing the abstracts. Revenue is important to every business and would be a difficult loss for most. By voting to PASS the amendment to House Bill 1398, you are also voting to support local journalism and maintain our many local newspapers that act as the heartbeat of our communities.

Thank you for your time and your support of North Dakota newspapers.

Sincerely,

Jill M. Friesz
 Owner/Publisher GS Publishing, LLC
 P.O. Box 100 Elgin, ND 58533
 w - 701-584-2900
 c - 701-202-0537

CHAIRMAN WARREY AND COMMITTEE MEMBERS:

My name is Art Hagebock. I am the owner and publisher of four weekly newspapers in southeast North Dakota. They are the LaMoure Chronicle, Kulm Messenger, Litchville Bulletin, and the Enderlin Independent.

Please accept this testimony "IN FAVOR" of House Bill 1398.

I have been in the newspaper industry since 1980. I have owned my four newspapers since 2012. I also am very involved with my communities that I have papers in. I sit on the LaMoure Community Development Corporation board, St. Rose Care Center nursing home board, American Legion, LaMoure County Housing Authority board, LaMoure Chamber Retailers, James River Sportsman Club, and recently retired fire chief after fifteen years as the chief. I attend or I have an employee attend every School Board, City Council, and County Commission we can and report the stories in our papers. I do not tell you these things to be boisterous, I tell you this because I know how vital the local newspapers are to getting information out to the public. The public also expects my newspapers to give them all the public information they need and want. The web and social media are great tools for information but anytime anybody really wants to make sure that their information is seen, they put that information in their local small town newspaper.

I am having a real hard time comprehending the fact that the publication of the Insurance Abstracts have been published in every newspaper in the state for nearly one hundred years and one person's interpretation of the law would suggest that it is wrong to do it that way. It would seem to me that this is saying that every legislator and insurance commissioner has been doing this wrong for over a hundred years. If we are going to let one person dictate and change policy because of their opinion, then why do we go through the process of legislation.

In my opinion, anytime we make it harder for the public to get information from the government, the easier it will be for the government to not be held accountable. I know that every one of my subscribers will read the content of my newspapers because they pay for it and believe its content.

Please consider my thoughts as you vote in favor of this bill.

January 20, 2025

House Industry, Business and Labor Committee
HB 1398

CHAIRMAN WARREY AND COMMITTEE MEMBERS:

My name is Cecile Wehrman. I represent the North Dakota Newspaper Association and the state's 73 newspapers. Please accept this testimony IN FAVOR of House Bill 1398.

The law governing publication of insurance abstracts has existed in its present form with only minor tweaks since the state's earliest days. It has always granted the insurance commissioner discretion in selecting one newspaper for publication of abstracts in each judicial district. But our research has discovered, these abstracts have not been distributed that way for about 100 years.

This bill codifies the actual distribution practice used since at least 1930 – placing insurance abstract statements across all newspapers in the state. That's always made sense because of the sheer number of these statements, but especially in modern times when about 2,000 insurance companies are required to publish them. Following the law as currently written concentrates publication of these statements in just 8 newspapers instead of 73. And it shifts the income from these publications almost entirely away from smaller community newspapers.

Insurance Department staff formally notified NDNA last February that the commissioner would assert his right to determine which newspapers receive these notices. Because we were too far along in the process for distributing the 2024 statements we could not comply. In the interim, we attempted to work with the department to come up with a compromise, but staff told us they favored making it a state appropriation rather than an industry-paid publication and we didn't believe a proposal like that would be successful.

The insurance commissioner's decision to publish these abstracts in just 8 newspapers – one in each judicial district -- upends a practice that has remained unchallenged even through many calls to abolish publication outright. It also favors high population centers for dissemination of this information, with only two weekly newspapers chosen to receive these notices. The majority of publications

will now be concentrated in the state's biggest cities, rather than spread evenly across both rural and urban areas.

Time and again, the legislature has rejected attempts to abolish the requirement to publish this material because they have heard from newspapers in every legislative district about the importance of retaining them. This year, with publication in just 8 newspapers, the likelihood of withstanding the next challenge is slim, because so few legislators will hear from a newspaper publisher. And at that point, it's likely these notices will no longer be published for the benefit of the consumer at all.

Some have argued these abstract statements are useless to the average consumer but we know publication does at least two things: It lets citizens know this information is being collected and monitored; but more importantly, it puts the companies on notice this information will be shared publicly, so it better be accurate.

Just last week, the commissioner disseminated an op-ed to newspapers, asking them to publish vital information to consumers in light of the great pressure widespread natural disasters have placed on the insurance industry. He didn't send that op-ed to just eight newspapers, but to ALL newspapers. Newspapers run that kind of information for free.

Likewise abstract publication **costs the state NOTHING**. Insurance companies pay just \$250 a year to provide transparency to North Dakota consumers about their financial solvency. It's a drop in the bucket to them, but to small town newspapers it's \$5,000 to \$20,000 a year – money that literally helps keep the lights on.

If the law stands without this change, the next time a state agency needs vital, timely information disseminated to the state's 300,000-plus newspaper readers, they may find fewer outlets available to help them reach that audience.

We urge a DO PASS on HB 1398.

January 20, 2025

House Industry, Business and Labor Committee
HB 1398

CHAIRMAN WARREY AND COMMITTEE MEMBERS:

My name is Katie Sarbaum. As editor of the Kulm Messenger, I am in support of House bill 1398. Please accept this written testimony IN FAVOR of the amendment proposed to House Bill 1398.

Committee Hearing
HB1398

Members, thank you for allowing me to share my thoughts on HB1398, I'd love to be there in person and hopefully I can... I am in favor of this amendment and here's my honest take on HB1398

Newspapers have been and continue to be the life blood of its community, especially in the rural areas. People in and from the community read their paper cover to cover. They don't always remember where they saw the information, but they know, 'It's in the paper somewhere' and are able to go back and look, or call the paper and ask where it was (and believe me we get these calls daily). This is one key reason I believe Insurance legals should stay where they are. Simply, by staying in their local newspaper, they are staying IN OUR COMMUNITY and these companies are coming to them sharing how they are spending the policy holder's money. Most times, these companies are NOT in North Dakota, the decision makers have probably never stepped foot into our community, or even our state – our local agents are here (sometimes), but aren't high enough on the food chain to answer for some of this information. This is one way our citizens can see first-hand where our money is being spent. I say our money, because it's our premiums paying for the legals, the big insurance companies are not paying for this...my neighbors are. I am 100% ok explaining to my neighbors why their premium is slightly higher when I am helping to keep people from the East or West coast accountable for their charges to us. Reading all of the legals can be daunting, but because the information in those documents are standardized across all of the companies, (meaning they all read the same way), easily shows me any large discrepancies that can be noted and we can see them, then decide for ourselves if it's time to look at another insurance company option. The key for me, again, is I am seeing this in my newspaper in my living room or kitchen table, in my house, in my community, in my state. I don't have to try to find it elsewhere, but if I want to look for it elsewhere, it's on my newspaper's website and North Dakota Newspaper's Website(s). Today, the internet is an easier option for some, but many North Dakotans, especially the elderly, do not have the knowledge to find them...however, once again, they are, where they always were...in THEIR newspaper.

Another obvious key reason is transparency. I am ok this should have been first, but I wanted to stress the local aspect and that IS the key to most North Dakotans. One can ask...Is that money being wasted? Well, any community promoter will tell you for every dollar spent in 'their' community, it generates \$7...now, who owns most of the newspapers in North Dakota...that's right, North Dakotans do...and again, they are the life blood of their community. This revenue, that again comes from premiums...paid for by people in our community...will get used locally, within the communities these papers cover. If we stop, will these dollars go back into North Dakotan's hands, into premium holder's hands...don't kid yourself...(PAUSE) we know the answer to that! And, if we stop printing them in our hometown paper, will we know where to find these in the future, will we lose confidence in these companies for not allowing us to see this information in OUR newspaper? Will we continue to have the sense that these insurance companies are in this game of life WITH us – or trying to hide even more that they don't think we need to know? I believe if you ask a North Dakotan insurance customer if they'd prefer these documents out in the open, in public, in THEIR paper, they would overwhelmingly say yes, they like them where they are. Then, if you tell them a very small amount of those legals are being paid for by their premiums and disclose that TRUE amount...I believe they'd all say YES, keep that going as they know it today – they can always easily look back if need be.

I am proud to own a small independent newspaper, my doors would remain open if this bill would not pass, but it may affect my employees raises, my next technology upgrade, my donation to the music or sports boosters, or even adding more full color pages to my paper so the basketball game or kids with Santa can be in full color versus black and white, but I guess I'd need to hear all the reasonings of why someone doesn't think it's a good practice to leave things as they are, as they have been for years....honest and open

to everyone as, again, they have been for decades...because I know the above and several more reasons I like them where they are...in MY house, in MY paper, and where I can get to them any time I want...adding onto that...bottom line...simple transparency.

Saying newspapers are dead is just not true, been hit hard may be true in other states, but not North Dakota. Since taking over my paper in 2005, my subscriptions are up, my advertising is up, and my community appreciates and supports me...and so do the hundreds that have moved away, but still subscribe to their hometown paper – now, a large percentage is on-line, but nonetheless, they still subscribe, read, have reasons to call home, donate to the local church, and many more reasons to keep the trusted, hometown connection. Think about it...how many of your high school classmates and friends still get their hometown newspaper in some form or fashion, then...pass the information they read onto someone else...the answer is a lot! And if we have to go back to look at an insurance legal from 1985 or 2015...we can count on one place we know it's going to be...in my hometown newspaper. Why remove that trust, that security, that sense that I am part of a decision making process where I live, own property, or just still care about. I know posting these legals is good for my paper, my community, and my area property owners. I know my readers feel that way too.

Thank you for your time,

Sincerely
Paul Erdelt
Owner/Editor
Steele Ozone &
Kidder County Press
(701) 475-2513

House bill 1398

My name is Benjiman Cartwright. I am the owner/publisher of the newspaper The Standard located in Westhope. I am writing my testimony in favor of house bill 1398.

Having been in the newspaper industry only a short time as I started in 2020, I have realized more of the importance of having information in a local newspaper. Often I hear of people saying that information is available on the internet but the common response is we can't find it, we don't have that technology, it's just too complicated to find. These are things I will be honest, didn't think about until I heard first hand from subscribers. The publication of insurance abstracts in all papers across the state has been a long practice and while some people do not think they are necessary, it is an information notice to the public that this information is being collected and monitored. The easiest way to inform the most people is to include these in all the newspapers across the state. Even if a person doesn't subscribe they can purchase a paper over the counter in their local area. Having this in only a few papers will exclude many from across the state to access and verify this information. This will not cost the insurance companies any difference in money it will just spread these notices across a larger audience. I am recommending a do pass for this amendment.

Benjiman Cartwright
The Standard.

January 20, 2025

House Industry, Business and Labor Committee HB 1398

CHAIRMAN WARREY AND COMMITTEE MEMBERS:

My name is Allison Olimb. For the past 747 weeks, 747 Monday deadlines, 747 issues ... I have been the editor of a small, weekly newspaper in Park River, North Dakota. Prior to that, I served as the community reporter ensuring a voice for our rural corner of the state. The Walsh County Press serves as the official newspaper for the communities of Park River, Edinburg, Hoople, and Fordville as well as their respective schools. I currently serve as the president of the North Dakota Newspaper Association and have been on the NDNA board since 2020.

Please accept this written testimony IN FAVOR of the amendment proposed to House Bill 1398.

North Dakota Century Code 26.1-03-10 is simple. It states that an insurance company is required to publish an abstract of its annual statement in a newspaper of general circulation where the company has an agency. The line in question is: "The abstract of the annual statement of each company, other than a state or county mutual insurance company, must be published at least three times in one newspaper of general circulation, designated by the commissioner, printed and published in each judicial district in this state in which the company has an agency."

For decades the interpretation of that line is not that the abstract of ALL COMPANIES be published in one newspaper as designated in each district. The interpretation has been that EACH COMPANY be designated to a newspaper of general circulation in said district. House Bill 1398 would bring a clear definition to the process that already works.

Over the past 16 years of my career, our pages have seen changes in our rural communities as they continue to grow and change, adapt and thrive. The one thing that had not changed is that every May right alongside the first farmer of the season taking to the fields, spring baseball tournaments, state track coverage, and the graduation ceremonies, we publish 19-22 insurance abstracts, which results in just under two pages of space.

This process has changed throughout my career from manual data entry and formatting to being able to copy from digital PDF forms. The only major change to the template has been the name of the insurance commissioner. The "form prescribed by the commissioner" has not changed.

This year is the first year of my career that we have been told we will not receive a single abstract. The entirety of our abstracts will be going to the neighboring newspaper in community with a higher population.

The law states that the insurance commissioner can choose where those abstracts are published in each district. That decision was made to only publish in the publication with the highest subscriber list in each district. For each insurance company, it is a nominal fee. For each newspaper,

it is a percent of the budget that makes a huge impact. For a rural community, it could be devastating.

But in truth, this is deeper than that. Open records and transparency matter and people are looking at insurance companies closer than ever.

Insurance Commissioner Godfread himself authored an op/ed article that was sent out to media statewide on January 15. His communications director urged publication of the free op/ed article as the piece is a “timely article for your readers” on the state of insurance in North Dakota.

They know that North Dakotans read the newspaper.

Among other points, the article stated that it was important to keep consumer protections intact. We as newspaper publishers across North Dakota could not agree more.

These abstracts offer consumer reassurances that an independent third party is keeping these companies honest and transparent.

This system of keeping these annual statements public, which has been executed by the North Dakota Newspaper Association for decades, ensures that the insurance agencies comply with state law without requiring state interference.

By splitting the work across the state’s available publications and not limiting it to one per district, there is a series of checks and balances to ensure that each abstract is executed correctly.

It is the newspaper industry that is putting this information into an accessible format. It is the newspaper industry that is ensuring that the consumer can access the data across multiple issues. It is the newspaper industry that posts public notice on www.ndpublicnotices.com at no additional change to units of government. For each insurance company the cost is \$250. The cost to the state is zero.

The system has remained the same because it works and it serves the public good. North Dakotans who access the news via print publications are intelligent consumers. I urge you to support this amendment to House Bill 1398 to ensure that rural newspapers like mine can continue to provide this essential service to our communities.

Thank you for your consideration.

January 20, 2025

House Industry, Business and Labor Committee
HB 1398

CHAIRMAN WARREY AND COMMITTEE MEMBERS:

My name is Amy Wobbema. I am the owner and publisher of two weekly newspapers in central North Dakota, the New Rockford Transcript and the Foster County Independent. Please accept this written testimony IN FAVOR of House Bill 1398.

The law governing publication of insurance abstracts has existed since the state's earliest days. The change we seek now is to codify the actual practice that has been used to publish these notices since at least 1930.

As the law stands, the insurance commissioner has the discretion to decide in which newspapers the abstracts will be published. For nearly 100 years, however, the insurance commissioner's office and the newspaper association have had an unwritten agreement to spread the publication of abstracts across all of North Dakota's newspapers. For decades we've agreed on the most equitable way to distribute the abstracts of some 2,000 insurance companies operating in our state.

HB 1398 was introduced because the insurance commissioner decided to upend a practice that has remained unchallenged even through many calls to abolish publication. His decision to concentrate publication into just 8 newspapers - the newspaper with the largest circulation in each of the eight districts – favors high population centers, with only two weekly newspapers chosen to receive these notices. The majority of publications will now be concentrated in the state's biggest cities, rather than spread evenly across both rural and urban areas. That means readers of the other 65 newspapers, including mine, would not see even one insurance abstract in their local paper.

The legislature has rejected attempts to abolish the requirement to publish this material, most recently in the 2023 session. One of the reasons newspapers have been successful in fighting calls to eliminate this notice requirement is

because it impacts businesses in every legislative district. That remains to be true, as there are independently-owned newspapers in every district.

Just last week, Commissioner Godfread disseminated an op-ed to newspapers, asking us to publish vital information to consumers about the great pressure recent natural disasters have placed on the insurance industry. He didn't send that op-ed to just eight newspapers, but to all newspapers. He knows we run that kind of information for free.

Likewise abstract publication costs the state NOTHING. The bill goes to the insurance companies, who pay just \$250 a year to provide transparency to North Dakota consumers about their financial health.

Again, I urge a DO PASS on HB 1398. This amendment to the existing state law will ensure that publication of insurance company financial statements does not ebb and flow at the whim of a commissioner determined to undermine the importance of public notices. In light of the pressures facing the insurance industry, which Mr. Godfread noted in his op-ed to newspapers, consumers need information about the financial health of insurance companies operating in our state now more than ever.

Abstract publication IS economic development for newspapers – bringing in revenue from outside of the state. There is no doubt that cutting 65 of the state's 73 newspapers from receiving this income will have an impact on the financial health of newspapers. If the law stands without the proposed amendment, the next time a state agency needs vital, timely information disseminated to the state's 300,000-plus newspaper readers, they may find fewer outlets available to help them reach that audience. We urge a DO PASS on this amendment.

January 20, 2025

House Industry, Business and Labor Committee HB 1398

CHAIRMAN WARREY AND COMMITTEE MEMBERS:

I am submitting my written testimony IN FAVOR of the amendment proposed to House Bill 1398.

My name is Keri Sailer. I am the managing editor of the LaMoure Chronicle. I have been in the newspaper business for 40 years. I believe a newspaper preserves the history of the community/state; it keeps the community/state current on events; and I also believe a newspaper holds governments/public service businesses accountable.

The printing of the insurance abstracts in all newspapers allows readers from across the state to monitor the business of companies across the United States.

In my 40 years working for a newspaper, yearly we have prepared and published the insurance abstracts distributed to us by North Dakota Newspaper Association.

We take pride in publishing these insurance abstracts, providing an accurate statement of the companies to the public for viewing.

The equal distribution of the insurance legals throughout the newspapers of the State has been ongoing for over 100 years. The publication of the insurance abstracts has generated revenue for all these years, for all newspapers. Why would you take that revenue away from the 73 newspapers in North Dakota, and give it to only 8 newspapers. That does not seem fair to me.

I am urging a DO PASS on this amendment.

Keri Sailer
Managing Editor
LaMoure Chronicle



TESTIMONY OPPOSING HB 1398

John Arnold, Deputy Commissioner

House Industry, Business and Labor Committee

January 20, 2025

Good morning, Chairman Warrey and members of the committee. My name is John Arnold, I am the Deputy Insurance Commissioner, and I stand before you today in opposition of HB 1398.

As I write this in advance of the hearing, I presume that much will be discussed by those supporting HB 1398 that this bill is about transparency, the importance of legal notices to our democracy, and maybe even the honest fact that the fees associated with the publication insurance company abstracts are vital to smaller newspapers. With respect, I disagree with all of these assertions.

I'll begin by addressing the misconception that HB 1398 increases transparency. Currently, §26.1-03-10 requires the Commission to designate one newspaper printed and published in each judicial district in which these abstracts are to be published. Commissioner Godfread has reasonably designated the newspapers with the greatest circulation in each judicial district to ensure that the broadest audience has access to the print version of these abstracts. By evenly distributing the abstracts between all newspapers within a judicial district we wholeheartedly believe that transparency of the print version of the abstract will be reduced.

Using myself as an example, I reside just south of the city of Bismarck in the South Central Judicial District. The designated newspaper for this district is the Bismarck Tribune, with a circulation of 12,285 according to the North Dakota Newspaper Association's (NDNA) 2025 *Comprehensive Guide to N.D. Media*. If HB 1398 is enacted as introduced the print version of my insurance company's abstract could be published in the Grant County News (circulation: 658) or the McClusky Gazette (circulation 398).

I concede that the current application only ensures transparency of the print version of the abstract to a plurality of residents in each judicial district, but I strongly argue that the very real possibility that the print version of an abstract for a large insurer covering property throughout the district being printed in one of these small newspapers is not the solution.

Next, I'll address the fallacy that these abstracts are legal notices. Simply put, they are not. These are not notices of public comment periods or the meeting minutes of public bodies. I would never presume to suggest that newspapers should not serve as a record for these types of public information. These, however, are incomplete financial statements of private companies. I am not aware of any other industry that is asked to publish this sort of

information. In our conversations with the NDNA any other type of statement has never been brought to our attention.

Historically it may have made some sense to publish this type of information. In a time when smaller, local companies were more relevant, and prior to the robust financial examinations that the Insurance Department now conducts, these abstracts may have given consumers some level of assurance that their insurer was solvent. Those days are over. For starters, in addition to the abstract being available on the Department's website, any consumer wishing to have a more compressive review of an insurance company's financials can reach out to the Department and request all publicly available information. Furthermore, the abstracts of the most local insurance companies, the county mutual's, are not impacted by HB 1398. They will continue to be printed in the newspaper designated by members of the company.

Lastly, I dispute the belief that these abstracts should be used as a method to distribute wealth to smaller newspapers. First, it needs to be recognized that the publication of these abstracts is a mandated fee for insurance companies, and that it is a fee that private companies pay to other private companies. As I argued before this very committee during the 67th Legislative Assembly, this is a fee that can be eliminated since the abstracts are also published on the Insurance Department's website.

If there is a legislative desire to provide financial aid to newspapers, the Insurance Department has suggested to the NDNA what we felt to be a workable compromise. Since we've established that the print versions of these abstracts, under current law or if HB 1398 were to be enacted, neither increase transparency nor are legal notices we believe that something else could be published that would have actual value and not result in a fee for insurance companies. The Insurance Department could be mandated to periodically publish notifications informing residents about our consumer assistance services. We feel that it would be more beneficial to let residents know that the state provides a resource in navigating the insurance sector than maybe give them an incomplete look into their company's financial records.

Chairman Warrey and members of the committee, I encourage you all to ponder other possibilities rather than HB 1398 offers. Please consider amending HB 1398 into something that actually provides value for consumers and eliminates a fee for insurance companies and completely repealing the requirement that abstracts be printed.

*B 1-398 John Arnold

Abstract of Statement

North Dakota Insurance Department
SFN 4802

Select Your Company Type *

Property and Casualty

Is this an amendment? *

☐ Yes ☒ No

NAIC Company Code (Enter the company code and tab out. This will automatically populate Name and State of Domicile.) *

34592

Name of Company *

Nodak Insurance Company

State of Domicile *

ND

For Year Ending December 31, 20 *

23

DATA FROM ANNUAL STATEMENT OF COMPANY

TOTAL ASSETS (Page 2)

*

407,175,192.00

TOTAL LIABILITIES (Page 3)

*

228,521,156.00

Aggregate write-ins for special surplus funds

*

0.00

Common Capital Stock (Page 3)

*

5,000,000.00

Preferred Capital Stock (Page 3)

*

0.00

Aggregate Write-ins for Other Than Special
Surplus Funds (Page 3)

*

0.00

Surplus Notes (Page 3)

*

0.00

Gross Paid in and Contributed Surplus (Page 3)

*

0.00

Unassigned Funds (Page 3)

*

173,654,036.00

TOTAL CAPITAL AND SURPLUS

*

178,654,036.00

TOTAL LIABILITIES, CAPITAL AND SURPLUS

*

407,175,192.00

NORTH DAKOTA BUSINESS ONLY

Total Direct Premiums Earned *

151,779,756.00

Total Direct Losses Incurred *

73,635,235.00

Total Accident and Health Direct Premiums Earned *

0.00

Total Accident and Health Direct Losses Incurred *

0.00

Name of Person Completing the Form *

Logan Fahnhorst

Telephone Number (prefer toll-free, if available) *

701 298 4288
####

Title *

Director of Accounting

Name of Person to Send Invoice To *

Logan Fahnhorst

Email Address *

lfahnhorst@nodakins.com

Division and/or Department *

Accounting

Address for Invoice *

1101 1st Ave N

City *

Fargo

State *

ND

ZIP Code *

58102

Abstract of Statement

North Dakota Insurance Department
SFN 4802

Select Your Company Type *

Property and Casualty

Is this an amendment? *

☐ Yes ☒ No

NAIC Company Code (Enter the company code and tab out. This will automatically populate Name and State of Domicile.) *

32670

Name of Company *

Agraria Insurance Company

State of Domicile *

ND

For Year Ending December 31, 20 *

23

DATA FROM ANNUAL STATEMENT OF COMPANY

TOTAL ASSETS (Page 2)

*

176,229,704.00

TOTAL LIABILITIES (Page 3)

*

94,277,374.00

Aggregate write-ins for special surplus funds

*

0.00

Common Capital Stock (Page 3)

*

1,000.00

Preferred Capital Stock (Page 3)

*

0.00

Aggregate Write-ins for Other Than Special
Surplus Funds (Page 3)

*

0.00

Surplus Notes (Page 3)

*

15,000,000.00

Gross Paid in and Contributed Surplus (Page 3)

*

0.00

Unassigned Funds (Page 3)

*

66,951,330.00

TOTAL CAPITAL AND SURPLUS

*

81,952,330.00

TOTAL LIABILITIES, CAPITAL AND SURPLUS

*

176,229,704.00

NORTH DAKOTA BUSINESS ONLY

Total Direct Premiums Earned *

86,253,904.00

Total Direct Losses Incurred *

45,384,270.00

Total Accident and Health Direct Premiums Earned (Line 13-15.6) *

0.00

Total Accident and Health Direct Losses Incurred (Line 13-15.6) *

0.00

Name of Person Completing the Form *

Amy Lachenmeier

Telephone Number (prefer toll-free, if available) *

701 952 0190
####

Title *

Financial Reporting and Analysis Manager

Name of Person to Send Invoice To *

Amy Lachenmeier

Email Address *

amy.lachenmeier@fumic.com

Division and/or Department *

Finance

Address for Invoice *

PO Box 2020

City *

Jamestown

State *

ND

ZIP Code *

58401

2025 HOUSE STANDING COMMITTEE MINUTES

Industry, Business and Labor Committee Room JW327C, State Capitol

HB1398
2/3/2025

A BILL for an Act to amend and reenact section 26.1-03-10 of the North Dakota Century Code, relating to the publication of an abstract of annual statement.

11:09 a.m. Chairman Warrey opened the meeting.

Members Present: Chairman Warrey, Vice Chairman Ostlie, Vice Chairman Johnson, Representatives Bahl, Brown, Christy, Finley-DeVille, Grindberg, Kasper, Koppelman, D. Ruby, Schatz, Schauer, Vollmer

Discussion Topics:

- Insurance publications
- All newspapers
- Small town newspapers
- Weekly and daily papers
- Abstract value

11:09 a.m. Representative Bahl moved Do Pass.

11:10 a.m. Representative Vollmer seconded the motion.

Representatives	Vote
Representative Jonathan Warrey	Y
Representative Mitch Ostlie	Y
Representative Landon Bahl	N
Representative Collette Brown	Y
Representative Josh Christy	N
Representative Lisa Finley-DeVille	Y
Representative Karen Grindberg	Y
Representative Jorin Johnson	Y
Representative Jim Kasper	AB
Representative Ben Koppelman	N
Representative Dan Ruby	N
Representative Mike Schatz	Y
Representative Austin Schauer	Y
Representative Daniel R. Vollmer	Y

Motion passed 9-4-1.

11:25 a.m. Representative Schatz will carry the bill.

11:25 a.m. Chairman Warrey closed the meeting.

House Industry, Business and Labor Committee

HB 1398

02/03/25

Page 2

Diane Lillis, Committee Clerk

REPORT OF STANDING COMMITTEE
HB 1398 ([25.1087.01000](#))

Industry, Business and Labor Committee (Rep. Warrey, Chairman) recommends **DO PASS** (9 YEAS, 4 NAYS, 1 ABSENT AND NOT VOTING). HB 1398 was placed on the Eleventh order on the calendar.

2025 SENATE INDUSTRY AND BUSINESS

HB 1398

2025 SENATE STANDING COMMITTEE MINUTES

Industry and Business Committee Fort Union Room, State Capitol

HB 1398
3/17/2025

A bill relating to the publication of an abstract of annual statement.
--

9:00 a.m. Chairman Barta called the meeting to order.

Members present: Chairman Barta, Vice-Chair Boehm, Senator Klein, Senator Kessel, Senator Enget

Discussion Topics:

- Rural ND communities and citizens
- Judicial districts and the insurance commissioner
- Value of notice to consumers
- Fiscal impact on the state
- Consumer availability
- History of abstracts and distribution
- Importance of the local newspaper
- Total revenue across the state
- Financial strain on local newspapers
- Consumer access service of the ND Insurance Department

9:00 a.m. Representative Grueneich, District 28, testified in favor and introduced the bill.

9:02 a.m. Cecile, Wehrman, Executive Director, ND Newspaper Association, testified in favor and submitted testimony #41838.

9:14 a.m. Kelsey Majeske, NorDak Publishing, testified in favor and submitted testimony #41853.

9:18 a.m. Arthur Hagebok, Newspaper, Pure Prairie Publishing, testified in favor and submitted testimony #41843.

9:21 a.m. Paul Erdelt, citizen of Steele, ND, testified in favor and submitted testimony #42184.

9:23 a.m. John Arnold, Deputy Insurance Commissioner, ND Department of Insurance, testified in opposition and submitted testimony #41733.

Additional written testimony:

Terry Schwartzenberger, Napoleon Homestead, submitted testimony #41906 in favor.

Tara Klostreich, Publisher, Daily News and News Monitor, submitted testimony #41981 in favor.

Allison Olimb, President, ND Newspaper Association, submitted testimony #42059 in favor.

Keri K. Sailer, Managing Editor, LaMoure Chronicle, submitted testimony #42079 in favor.

Amy Wobbema, Owner/Publisher, Transcript Publishing, submitted testimony #42106 in favor.

Benjiman R. Cartwright, Owner/Publisher submitted testimony #42140 in favor.

9:42 a.m. Chairman Barta closed the hearing.

Audrey Oswald, Committee Clerk



NORTH DAKOTA
Insurance Department

TESTIMONY OPPOSING HB 1398

John Arnold, Deputy Commissioner

Senate Industry and Business Committee

March 17, 2025

Good morning, Chairman Barta and members of the committee. I respectfully stand before you today in opposition of HB 1398.

I'd like to begin by addressing the fallacy that insurance company abstracts are legal notices. Simply put, they are not. These are not notices of public comment periods or the meeting minutes of public bodies. I would never presume to suggest that newspapers should not serve as a record for these types of public information. These, however, are incomplete financial statements of private companies. I am not aware of any other industry that is asked to publish this sort of information. In our conversations with the NDNA any other similar type of statement has never been brought to our attention.

Historically it may have made some sense to publish this type of information. In a time when smaller, local companies were more relevant, and prior to the robust financial examinations that the Insurance Department now conducts, these abstracts may have given consumers some level of assurance that their insurer was solvent. Those days are over. For starters, in addition to the abstract being available on the Department's website, any consumer wishing to have a more compressive review of an insurance company's financials can reach out to the Department and request all publicly available information; information that is far more in depth than what can reasonably fit within a newspaper. Furthermore, the abstracts of the most local insurance companies, the county mutual's, are not impacted by HB 1398. They will continue to be printed in the newspaper designated by members of the company.

Next, I'll address the misconception that HB 1398 increases transparency. Currently, §26.1-03-10 requires the Commission to designate one newspaper printed and published in each judicial district in which these abstracts are to be published. Commissioner Godfread has reasonably designated the newspapers with the greatest circulation in each judicial district to ensure that the broadest audience has access to the print version of these abstracts. By evenly distributing the abstracts between all newspapers within a judicial district we wholeheartedly believe that transparency of the print version of the abstract will be reduced.

Using myself as an example, I reside just south of the city of Bismarck in the South Central Judicial District. The designated newspaper for this district is the Bismarck Tribune, with a circulation of 12,285 according to the North Dakota Newspaper Association's (NDNA) 2025 *Comprehensive Guide to N.D. Media*. If HB 1398 is enacted as introduced the print version

of my insurance company's abstract could be published in the Grant County News (circulation: 658) or the McClusky Gazette (circulation 398).

To further illustrate the example, in terms of market share, the top five companies writing homeowners insurance in the state are State Farm, Agraria (Farmers Union), Auto Owners, Nodak, and North Star Mutual. With the amendment being proposed to §26.1-03-10 it is possible that the abstracts for these five companies could all be published in newspapers with a circulation significantly smaller than the business written within primary circulation area of any of the designated newspapers.

I concede that the current application only ensures transparency of the print version of the abstract to a plurality of residents in each judicial district, but I strongly argue that the very real possibility that the print version of an abstract for a large insurer covering property throughout the district being printed in one of these small newspapers is not the solution. In fact, I would go so far as to say that the current process is simply the least bad option so long as the policy requiring the publication of these abstracts remains in code.

Lastly, I dispute the belief that these abstracts should be used as a method to distribute wealth to smaller newspapers. First, it needs to be recognized that the publication of these abstracts is a mandated fee for insurance companies, and that it is a fee that private companies, again in only one industry, are required to pay to other private companies. As I argued before this very committee during the 67th Legislative Assembly, this is a fee that can be eliminated since the abstracts are also published on the Insurance Department's website.

The Insurance Department has suggested to the NDNA what we felt to be a workable compromise. Since I believe that we've established that the print versions of these abstracts, whether under current law or if HB 1398 were to be enacted, are neither legal notices nor increase transparency we believe that something else could be published that would have actual value and not result in a fee for insurance companies. The Insurance Department could be mandated to periodically publish notifications informing residents about our consumer assistance services. We feel that it would be more beneficial to let residents know that the state provides a resource in navigating the insurance sector than maybe give them an incomplete look into their company's financial records. I understand that Wyoming has a law like this, so there is some precedence for this type of policy.

Chairman Barta and members of the committee, I encourage you all to ponder other possibilities rather than what HB 1398 offers. Please consider amending HB 1398 into something that actually provides value for consumers and eliminates a fee for insurance companies while supporting all newspapers.



Abstract of Statement

North Dakota Insurance Department
SFN 4802

Select Your Company Type	Property and Casualty
Is this an amendment?	No
NAIC Company Code	25143
Name of Company	State Farm Fire and Casualty Company
State of Domicile	IL
For Year Ending December 31, 20	24

DATA FROM ANNUAL STATEMENT OF COMPANY

TOTAL ASSETS	60365226220.51
TOTAL LIABILITIES	37719844505.24
Aggregate write-ins for special surplus funds	8122424390.95
Common Capital Stock	10000000
Preferred Capital Stock	0
Aggregate Write-ins for Other Than Special Surplus Funds	0
Surplus Notes	0
Gross Paid in and Contributed Surplus	3060786638
Unassigned Funds	11452170686.32
Less Treasury Stock, at Cost	0
TOTAL CAPITAL AND SURPLUS	22645381715.27

TOTAL LIABILITIES, CAPITAL AND SURPLUS

60365226220.51

NORTH DAKOTA BUSINESS ONLY

North Dakota Title Companies

Source of Data from Schedule T, Line 35

North Dakota Life Companies

North Dakota Health Companies

Accident and Health

Property and Casualty Companies

From State Page

Total Direct Premiums Earned

76689296.02

Total Direct Losses Incurred

37612536.34

Total Accident and Health Direct Premiums Earned (Line 13-15.6)

0

Total Accident and Health Direct Losses Incurred (Line 13-15.6)

0

Name of Person Completing the Form

Kenneth Watkins

Telephone Number

(309) 763-6739

Title

Assistant Secretary - Treasurer

Email Address

home.acct-star-statefiling.430o00@statefarm.com

Division and/or Department

Financial & Regulatory Reporting

Address

PO Box 2317
Bloomington, Illinois, 61702



Cecile Wehrman, director@ndna.com 701-648-8697

Senate Industry and Business Committee
HB 1398 -- IN FAVOR

CHAIRMAN BARTA AND COMMITTEE MEMBERS:

My name is Cecile Wehrman. I'm the executive director of the North Dakota Newspaper Association, representing the state's 73 newspapers.

Nearly every session, legislators have been asked to affirm the publication of insurance abstracts -- a practice that dates back to North Dakota's territorial days. These publications were affirmed again just last session.

This time the question is not **WHETHER** we should be printing abstracts, but **WHERE** these notices should appear. Since at least 1930, the printing of these notices has been shared across ALL newspapers. Though the insurance commissioner has always had the authority to designate just one newspaper in each judicial district to print these notices, he never has -- until now.

Last spring, NDNA was notified the insurance commissioner was directing these notices to just 8 newspapers. We were already processing the abstracts through our usual distribution practice, so it was too late to change. This year, we had no choice but to comply. That means the readers of only 8 newspapers will have exposure to these notices in 2025 -- mostly in the state's highest population centers.

Frankly, it doesn't make sense. Especially when you consider that the combined circulation of smaller newspapers in **5 OF THE 8 districts is EQUAL TO OR EXCEEDS** the circulation of the newspapers chosen to print them. This cuts out most rural people even though small town weeklies often have more readers.

The insurance department will argue these notices have no value. We disagree, especially at a time when insurance companies are under increasing scrutiny due to denial of claims and extreme weather events. Consumers have a right to assess whether these companies appear to be financially solvent. The department could require these companies to add a line about where to direct consumer questions, adding even more value for consumers.

Abstract printing itself **COSTS THE STATE NOTHING**. The department has even cancelled the software that used to feed these abstract forms directly to us, removing another cost. Insurance companies pay just \$250 a year to publish these notices. None of them are complaining about the cost.

The insurance commissioner has referred to these abstracts as “economic development for newspapers.” But his decision to concentrate publication in just 8 newspapers this year will be an economic blow to the 65 newspapers not designated. This compounds the lack of information to mostly rural readers with a kick in the gut to the small town newspapers who serve them.

However, that’s not true in every case. Here’s one example that points out how arbitrary this decision is: The newspaper I own, The Journal of Crosby, is one of only two weekly newspapers selected to receive these abstracts -- a boon I neither sought nor desire. The designation comes strictly because The Journal is the highest circulation newspaper in the judicial district. Newspapers in Williston and Watford City will print none. In this case, the highest population centers are completely cut out of the process. Just as it makes no sense to print these abstracts only in high population centers it makes no sense to print them only in a newspaper serving a county of 2,500 people.

Here’s another example: The Fargo Forum is going to be tasked with printing about 375 of these notices, while the other three newspapers in that district -- Casselton, Finley and Hillsboro -- get nothing. And their readers get nothing.

Intended or not, the commissioner’s decision creates economic winners and losers at a time when the newspaper industry is weathering historic postal increases and tariffs on newsprint and aluminum printing plates. And for what?

The law change we seek is simple and straightforward. Allow us to continue the practice followed for 100 years, distributing these notices equally among all of the newspapers in each judicial district.

Leaving the law “as is” is an especially tough blow to the family-owned independent publishers in rural areas. Insurance companies aren’t complaining about whether the notices appear in Fargo or Finley. And all of these notices appear on NDNA’s searchable public notice website, ndpublicnotices.com, which is free to the public.

We urge a DO PASS on HB 1398.

Thank you for your consideration.

Chairman Barta and committee members-

My name is Art Hagebock. I am the owner of four weekly newspapers in southeast North Dakota. They are the LaMoure Chronicle, Litchville Bulletin, Kulm Messenger, and the Enderlin Independent.

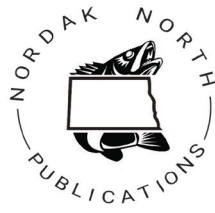
Please accept this testimony in "FAVOR" of HB 1398.

I have been in the newspaper industry since 1980. I have owned these newspapers since 2012. I also am very involved in the communities I have newspapers in. I sit on the LaMoure Community Development Board, St. Rose Care Center Board, LaMoure County Housing Authority Board, American Legion, James River Sportsman Club, Past President LaMoure Chamber, and am recently retired after fifteen years as the LaMoure Fire Department's Chief. I also attend every school board, city council meeting, and county commission meeting in LaMoure and put the stories in the paper. I do not tell you these things to be boisterous, I am telling you this because I know firsthand how vital newspapers for the public to get their information. Anytime anyone really wants to get their information out in these towns, they put that information in the paper. The web is a great tool but has gotten so large and cumbersome that sometimes it is very hard to find what you are looking for.

I am having a real hard time comprehending the fact that the publication of the Insurance Abstracts that have been published in every newspaper for over a hundred years in every newspaper in the state is now suddenly only given to eight newspapers.

The logic behind this is that someone has interpreted the law in a different manner than what has been used for over a hundred years. Obviously, the intent of the law that was written years ago was meant so that every newspaper in the state publish these abstracts or this would have been changed years ago. If one person can interpret the law as they see fit, then why do we need legislators? If this stands as is the current policy, then every legislator, Governor, and Insurance Commissioner has been doing things illegally for a hundred years.

Please consider supporting this bill, thank you. ART HAGEBOCK



March 16, 2025
Kelsey Majeske, Publisher
RE: In Favor HB 1398

Chairman Barta and Members of the Senate Industry and Business Committee,

My name is Kelsey Majeske, and I am the Publisher of 10 community newspapers across North Dakota. These newspapers serve small, rural communities throughout the state. For decades, we have published the Insurance Abstracts in all of our newspapers, and this service is a key part of our commitment to informing our readers. As a community newspaper, we pride ourselves on our mission to keep the public informed, and the publication of these abstracts is an essential aspect of that mission. Each year, these abstracts provide valuable information to our readers, sparking questions and engagement within the community.

Under the changes made by the insurance commissioner, none of my newspapers would be included in the proposal to publish these abstracts in only one newspaper per judicial district. As a result, more than 10,000 subscribers across North Dakota would no longer receive this important information in their local newspapers, which have traditionally been tasked with publishing public notices.

While I strongly believe that these notices should continue to be distributed in every newspaper, ensuring that all communities have access to this information as they have in the past, there is also a significant financial impact to consider. The loss of publishing the Insurance Abstracts would create a considerable financial strain on our newspapers. As mentioned, each of my newspapers operates independently in small rural communities, employing local staff who work diligently to provide the information our readers rely on. Although publishing these abstracts comes at no cost to the state, the lost revenue for each of our small-town newspapers could range from \$6,000 to \$20,000 annually. In an industry already burdened by increasing postal and print costs, this revenue loss could be devastating to the viability of these businesses.

I respectfully urge you to consider the importance of maintaining the historical practice of publishing the Insurance Abstracts in all community newspapers, ensuring that our rural communities continue to have access to this crucial information. I encourage you to vote in favor of HB 1398 to preserve the opportunity for local newspapers to serve their communities.

Thank you for your consideration.

Sincerely,
Kelsey Majeske
Publisher

**MCLEAN COUNTY INDEPENDENT | LEADER NEWS | CENTRAL MCLEAN NEWS JOURNAL |
BEULAH BEACON | HAZEN STAR | CENTER REPUBLICAN | CASS COUNTY REPORTER |
RANSOM COUNTY GAZETTE | SARGENT COUNTY TELLER | EMMONS COUNTY RECORD**

HB 1398

Chairman Barta and Committee Members

I am Terry Schwanzenberger, publisher/owner of the Napoleon Homestead, a weekly newspaper in south-central North Dakota and I would like to offer a DO Pass recommendation on HB 1398.

I am a second-generation newspaper owner and have had the privilege of serving people in this part of the state with news, advertising and public notices for over four decades. The readers of the Napoleon Homestead appreciate being able to view and read public notices in their local newspaper. This newspaper dates back almost 139 years and has been the 'go-to' medium for finding information which may affect area residents. The Napoleon Homestead has been part of the publication process of insurance abstracts for a long time and we would like to continue to be part of that mix of all the state's newspapers who are providing public information to each and every one of their readers. The change for 2025 calls for the state's largest newspapers to handle all publication of the insurance abstracts, a change which will be noticed by Napoleon Homestead readers as well as being a financial hit to this independently owned and operated newspaper.

I believe offering a DO PASS vote on 1398, will return publishing practices to the way they were, making insurance abstracts assessable to all North Dakotans. I also believe the insurance companies in general are navigating a new area with the huge number of losses mounting across the country due to fire and weather-related disasters. By having insurance companies publish their financial positions across the state, for customers and potential customers, it's just a form of transparency which is good for all.

I appreciate your time and strongly urge a DO PASS on HB 1398.

Terry Schwanzenberger

Publisher/Owner

Napoleon Homestead

701-321-2338

DAILY NEWS

HB 1398 - IN FAVOR

I am writing to request an IN FAVOR vote on HB 1398

For the past nearly 100 years, all ND newspapers, including Daily News (Wahpeton) and News Monitor (Richland County) have participated in publication of insurance abstracts.

The change to cut all but the state's largest newspapers out of this process is harmful to smaller communities like ours, Richland County.

The change will keep most residents of the smaller communities unaware that the reports exist, while also harming small town newspapers financially. These small town newspapers provide local, accurate and researched news to our readers.

Thank you for your consideration of a YES vote to approve HB 1398 to restore the historic publication practice that has been followed for 100 years and allows all communities readily access to the insurance abstracts.

• Tara Klostreich •

Publisher

Daily News | News Monitor | Southern Valley Living
701-291-3566

March 16, 2025

Senate Industry and Business Committee

HB 1398 -- IN FAVOR

CHAIRMAN BARTA AND COMMITTEE MEMBERS:

My name is Allison Olimb. I am the editor of the Walsh County Press in Park River, ND, and I currently serve as the President of the North Dakota Newspaper Association.

Please accept this written testimony IN FAVOR of House Bill 1398.

North Dakota Century Code 26.1-03-10 is simple. It states that an insurance company is required to publish an abstract of its annual statement in a newspaper of general circulation where the company has an agency.

For decades, the interpretation of that line has been that EACH COMPANY be designated to a newspaper of general circulation within said district. This year, that process has changed to ALL COMPANIES in each district being assigned to one newspaper in each district.

Over the past 16 years of my career, we have published 19-22 insurance abstracts three times each May, which results in just under two pages of space.

This year is the first year of my career that we have been told we will not receive a single abstract. The entirety of our abstracts will be going to the neighboring newspaper in a community with a higher population.

This process has changed throughout my career from manual data entry and formatting to being able to copy from digital PDF forms. The only major change to the template has been the name of the insurance commissioner. The "form prescribed by the commissioner" has not changed.

The law states that the insurance commissioner can choose where those abstracts are published in each district. That decision was made to only publish in the publication with the highest subscriber list in each district. For each insurance company, it is a nominal fee. For each newspaper, it is a percent of the budget that makes a huge impact. For a rural community, it could be devastating.

This system of keeping these annual statements public, which has been executed by the North Dakota Newspaper Association for decades, ensures that the insurance agencies comply with state law without requiring state interference.

House Bill 1398 would bring a clear definition to the process that already works.

By splitting the work across the state's available publications and not limiting it to one per district, there is a series of checks and balances to ensure that each abstract is executed correctly.

It is the newspaper industry that is putting this information into an accessible format. It is the newspaper industry that is ensuring that the consumer can access the data across multiple issues. It is the newspaper industry that posts public notices on www.ndpublicnotices.com at no additional charge to units of government. For each insurance company, the cost is \$250. The cost to the state is zero.

The system has remained the same because it works, and it serves the public good. North Dakotans who access the news via print publications are intelligent consumers. I urge you to support House Bill 1398 to ensure that rural newspapers like mine can continue to provide this essential service to our communities.

Thank you for your consideration.

March 16, 2025

Senate Industry and Business committee

HB #1398

COMMITTEE MEMBERS:

I am submitting my written testimony asking you to approve HB 1398 to restore the publication practice of insurance abstracts that has been followed for 100 years.

My name is Keri Sailer. I am the managing editor of the LaMoure Chronicle. I have been in the newspaper business for 40 years. I believe a newspaper preserves the history of the community/state; it keeps the community/state current on events; and I also believe a newspaper holds governments/public service businesses accountable.

The printing of the insurance abstracts in all newspapers allows readers from across the state to monitor the business of the companies across the United States.

In my 40 years working for a newspaper, yearly we have prepared and published the insurance abstracts distributed to us by North Dakota Newspaper Association.

We take pride in publishing these insurance abstracts, providing an accurate statement of the companies to the public for viewing.

The equal distribution of the insurance legals throughout the newspapers of the State has been going on for over 100 years. The publication of the insurance abstracts has generated revenue for all these years, for all newspapers. Why would you take that revenue away from the 73 newspapers in North Dakota, and give it to only 8 newspapers. That does not seem fair to me.

Please approve HB 1398 to restore the publication practice.

Keri Sailer
Managing Editor
LaMoure Chronicle

March 17, 2025

Senate Industry and Business
HB 1398

CHAIRMAN BARTA AND COMMITTEE MEMBERS:

My name is Amy Wobbema, and I am the publisher of the New Rockford Transcript and the Foster County Independent, two official county newspapers in central North Dakota. Please accept this written testimony IN FAVOR of House Bill 1398.

The law governing publication of insurance abstracts has existed since the state's earliest days. The change we seek now is to codify the actual practice that has been used to publish these notices since at least 1930.

As the law stands, the insurance commissioner has the discretion to decide in which newspapers the abstracts will be published. For nearly 100 years, however, the insurance commissioner's office and the newspaper association have had an unwritten agreement to spread the publication of abstracts across ALL of North Dakota's newspapers. For decades we've agreed that it's the most equitable way to distribute the abstracts of some 2,000 insurance companies operating in our state.

HB 1398 was introduced because the insurance commissioner decided to upend our long-standing equitable practice and instead concentrate publication into just eight newspapers - namely the newspaper with the largest circulation in each district. Due to this decision, the majority of publications will now be concentrated in the state's biggest cities, rather than spread evenly across both rural and urban areas. That means readers of the other 65 newspapers, including The New Rockford Transcript and Foster County Independent, will not see even one insurance abstract in their local paper this year.

This simple amendment to the existing state law will ensure that publication of insurance company financial statements does not ebb and flow at the whim of a commissioner who questions their importance. In light of the pressures facing the insurance industry, which Mr. Godfread noted in a January op-ed to

newspapers, consumers need information about the financial health of insurance companies operating in our state now more than ever.

I urge a DO PASS on HB 1398.

Sincerely,

Amy Wobbema
Publisher
Transcript Publishing
817 Central Ave
New Rockford, ND 58356
(701) 947-2417

Abstract publication IS economic development for newspapers – bringing in revenue from outside of the state. There is no doubt that cutting 65 of the state's 73 newspapers from receiving this income will have an impact on the financial health of newspapers. If the law stands without the proposed amendment, the next time a state agency needs vital, timely information disseminated to the state's 300,000-plus newspaper readers, they may find fewer outlets available to help them reach that audience. We urge a DO PASS on this amendment.

3-17-2025

Committee Members:

My name is Benjiman Cartwright. I am the owner of The Standard, a small town weekly newspaper in Westhope, North Dakota. I purchased this newspaper in September of 2020, a time when the world was uncertain. One thing that was not uncertain was the publication of Insurance Abstracts in All North Dakota newspapers. This was a big selling point when I purchased the paper as no one in the paper industry is getting rich from it. When presented with the financials, it was discussed that the abstracts were similar to Black Friday, where that gets the company from the red to the black. Now after these few years of owing this paper, with increased postal costs, printing costs, paper costs and everything else associated with the newspaper, a removal of these from All newspapers is a financial hit to small town North Dakota papers.

Recently the owner of the Renville County Farmer turned ill, and I was requested to help as there was no one else, as it is a one woman show, and make sure that paper kept publishing. I gladly stepped in and made sure that paper continued to publish until they found a new owner. We are all together in this. When a change happens that has been common practice for 100 or more years, this isn't directly costing anyone any more money, yet turns to a boom for the LARGEST papers in North Dakota while taking away something that has been common practice in ALL the papers in North Dakota. Now only 8 of the states papers will include these Insurance Abstracts and the readers of the other 65 newspapers in the state will not be aware that this information is being collected. As the insurance industry is under a magnifying glass, not only for increased premiums that I have experienced and I am sure all of you have as well, denied claims or even outright dropping after people have had policies for years yet they deem that the risk level is no longer in their favor, it would be nice to be able to pick up ANY newspaper in North Dakota and see that this information is being collected. This doesn't cost the insurance any additional money, it just directs it to 8 of the 73. This is a change to what has worked for 100+ years and I urge you to vote in favor of HB 1398.

Thank you for your consideration.

Benjiman Cartwright

Owner/Editor/Publisher of The Standard

Westhope, ND

Committee Hearing HB1398

Members, thank you for allowing me to share my thoughts on HB1398, I am in favor of this amendment and here's my honest take on HB1398.

I am proud to own a small independent newspaper, my doors will remain open if this process stays at a regional level, but to me, the regional level does not make sense. It needs to be local, in the reader's hometown paper. From a personal standpoint...it most certainly will affect my employees raises, my next technology upgrade, my donation to the music or sports boosters, or even adding an employee or having to pay for more full color pages to my paper so the basketball game or kids with Santa can be on color pages versus black and white. You know the equation for each dollar spent in a local community. That now, has been lost going to an eight paper format.

Yet, more importantly, I am of the strong opinion we need this transparency at every local level possible....local keeps it honest and open to everyone as, again, insurance legals have been for decades...readers I have talked with agree, they want them in MY house, in MY paper, and where I can get to them any time I want...adding onto that...bottom line...simple transparency at the local level.

Local newspapers have been and continue to be the life blood of its community, especially in the rural areas. People in and from the community read their paper cover to cover. They don't always remember where they saw the information, but they know, 'It's in the paper somewhere' and are able to go back and look, or call the paper and ask where it was (and believe me we get these calls daily). This is the key reason I believe Insurance legals should stay where local. Simply, by staying in their local newspaper, they are staying IN OUR COMMUNITY and these (mostly out of state) insurance companies are coming to the readers, their customers, into our community to share how they are spending the policy holder's money. This current 8 regional papers doesn't provide the LOCAL aspect that is needed. Most times, these insurance companies are NOT North Dakota companies, the decision makers of these insurance companies have probably never stepped foot into our community, or even our state – our local agents are here (sometimes), but aren't high enough on the food chain to answer for some of the information covered in the legals. This is one way our citizens can see first-hand where our money is being spent. I say our money, because it's our premiums paying for the legals, the big insurance companies are not paying for this...my neighbors are. I am 100% ok explaining to my neighbors why their premium is slightly higher when I am helping to keep people from the East or West coast accountable for their charges to us. Reading all of the legals can be daunting, but because the information in those documents are standardized across all of the companies, (meaning they all read the same way), easily shows me any large discrepancies that can be noted and we can see them, then decide for ourselves if it's time to look at another insurance company option. The key for me, again, is I am seeing this in my newspaper in my living room or kitchen table, in my house, in my community, in my state. I don't have to try to find it elsewhere. Printing in only regional papers...or even not at all will not save one penny in insurance premiums for our locals, there is no way these big insurance companies will be giving any of that money back, and even thinking about it, while you are reading this, your rates may have gone up again....and locally, you have no control over that, but now, you can't even see how that money is spent in your local paper.

We know if you ask a North Dakotan insurance customer if they'd prefer these documents out in the open, in public, in THEIR LOCAL paper, they do overwhelmingly say yes, they liked them where they were. Then, if they are told their portion of what they are paying in their premiums to have it local...again, they'd all say YES. This amount will NOT be returned to them if we run legals in just eight newspapers...or not at all. Again, in their local paper, they can always easily look back, if need be, they can read it at their leisure, and they can do it in their own home...which is where they are writing the check to that insurance bill.

Saying local newspapers are dead is just not true, been hit hard may be true in other states, but not North Dakota. Since taking over my paper in 2005, my subscriptions continue to go up, my advertising is up, and my community appreciates and supports me...and so do the hundreds that have moved away, but still subscribe to their hometown paper, many owning property here – now, a large percentage is on-line due to past postal issues, but nonetheless, they still subscribe, read, have reasons to call home, donate to the local church and school, and many more reasons to keep the trusted, hometown connection. Think about it...how many of your high school classmates and friends still get their hometown newspaper in some form or fashion, then...pass it onto someone else...or now, how many share their hometown

newspapers website username and password...the answer is a LOT! And if we have to go back to look at an insurance legal from 1985 or 2015...we can count on one place we know it's going to be...in the hometown newspaper. Why remove that trust, that security, that sense that I am part of a decision-making process where I live, own property, or just still care about. Posting these legals locally is good for my paper, my community, and my readers. I know my readers feel that way too.

Thank you for your time,

Sincerely
Paul Erdelt
Owner/Editor
Steele Ozone &
Kidder County Press
(701) 475-2513

2025 SENATE STANDING COMMITTEE MINUTES

Industry and Business Committee Fort Union Room, State Capitol

HB 1398
3/24/2025

A bill relating to the publication of an abstract of annual statement.
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3:00 p.m. Chairman Barta opened the hearing.

Members present: Chairman Barta, Vice-Chair Boehm, Senator Klein, Senator Kessel, Senator Enget

Discussion Topics:

- Newspaper publishers
- ND Insurance Department
- Importance of local county newspapers
- Insurance company snapshots

3:04 p.m. Senator Enget moved a Do Pass.

3:04 p.m. Senator Klein seconded the motion.

Senators	Vote
Senator Jeff Barta	Y
Senator Keith Boehm	Y
Senator Mark Enget	Y
Senator Greg Kessel	Y
Senator Jerry Klein	Y

Motion passed 5-0-0.

Senator Boehm will carry the bill.

3:06 p.m. Chairman Barta closed the hearing.

Audrey Oswald, Committee Clerk

REPORT OF STANDING COMMITTEE
HB 1398 ([25.1087.01000](#))

Industry and Business Committee (Sen. Barta, Chairman) recommends **DO PASS** (5 YEAS, 0 NAYS, 0 ABSENT OR EXCUSED AND NOT VOTING). HB 1398 was placed on the Fourteenth order on the calendar. This bill does not affect workforce development.