

2025 SENATE INDUSTRY AND BUSINESS

SB 2125

2025 SENATE STANDING COMMITTEE MINUTES

Industry and Business Committee Fort Union Room, State Capitol

SB 2125
1/14/2025

A bill relating to producer's lines of insurance, service of process for producer proceedings, revocation of non-resident producer licenses, requirements for renewal of business entity public adjuster licenses, public adjuster proof of insurance requirements, and public adjuster continuing education requirements.

3:00 p.m. Chairman Barta called the meeting to order.

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

Discussion Topics:

- Electronic correspondence vs mail
- Producer Licensing Model Law Act (PLMA)
- Producer's responsibility of electronic mail
- Nonresident producer's licenses
- Renewal or reinstatement of public adjuster's license
- Continuing education for public adjusters
- Definition of producer
- Fee relocation
- Financial impact

3:02 p.m. Janelle Middlestead, North Dakota Insurance Department Producer Licensing Director, testified in favor of SB 2125 testimony #28829.

3:11 p.m. Chairman Barta closed the hearing on SB 2125.

3:12 p.m. Senator Kessel made a motion to Do Pass.

3:13 p.m. Senator Enget seconded the motion.

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

Motion passed 4-0-1.

Senator Barta will carry the bill.

3:14 p.m. Chairman Barta adjourned the meeting.

Audrey Oswald, Committee Clerk

REPORT OF STANDING COMMITTEE
SB 2125 ([25.8132.01000](#))

Industry and Business Committee (Sen. Barta, Chairman) recommends **DO PASS** (4 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). SB 2125 was placed on the Eleventh order on the calendar. This bill does not affect workforce development.



TESTIMONY

Janelle Middlestead, Producer Licensing Director

Industry and Business Committee

January 14, 2025

Good afternoon, Chairman Barta and members of the Industry and Business Committee. My name is Janelle Middlestead, I am the Producer Licensing Director for the North Dakota Insurance Department. I stand before you today on behalf of Commissioner Godfread in support of Senate Bill 2125, which is an agency bill addressing several updates to producer's line of insurance, service of process for producer proceedings, revocation of nonresident producer licenses, and multiple updates to the public adjuster licenses to maintain consistency with the process and procedures for the producer licensing division. SB 2125 is a good example of the Department attempting to streamline workflows for efficiencies and using electronic means for sending correspondence versus utilizing the mail.

Section one of the bill allows the Department to follow the Producer Licensing Model Law Act (PLMA) which has key indicators that are best practices and recommendation changes that will align our state with other states that utilize National Insurance Producer Registry (NIPR). Streamlining our major lines of authority (LOA) as outlined in the PLMA. These changes would be for the new names, Life, Accident and health or sickness, Variable life & variable annuity. The other line of authorities was changed back in 2019; Crop Hail to Crop, and Travel/Baggage to Travel.

Section two allows the department to utilize electronic means for service of process for both resident and nonresident producers. This would allow for electronic mail to be used, in leu of mailing out regulatory correspondence via certified mail. This cuts down on the cost for postage, as well as transaction time for sending and receiving documents.

Section three will allow the department to require producers to be responsible to monitor their electronic mail, as the producer licensing division has gone paperless and only correspondence is sent out by the prospective email addresses that are provided by the producer.

Section four of this bill will allow us to revoke a nonresident producers license after being notified that the producers license is past the renewal deadline in the producer's home state. This would take care of nonresident producers who do not have an active home state license but showing active in North Dakota.

Section five of this bill is for renewal or reinstatement of public adjuster's license by updating the days of notice in which a public adjuster producer is provided notification in which to renew their license, increasing from sixty days to ninety days to correlate with the insurance producer's notification. As well as removing the verbiage of allowing a late renewal fee or

within a thirty-day period as there is no grace period for public adjusters. Also, adding clarification regarding a public adjuster's license to make sure it indicates mailing address as this is required for the producer to update if there are any changes within thirty days of legal name, address, or electronic mailing address.

Section six of this bill is removing the wording of proof of insurance to show that only a proof of a surety bond is required to be a resident or nonresident public adjuster, as well as matching with the insurance producer code stating that the bond may not be terminated by the surety company of the public adjuster unless written notice has been filed with the commissioner and submitted to the public adjuster at least thirty days before termination. We are making the date change from sixty to thirty to match the existing language in the insurance producer requirements.

Section seven of this bill regards continuing education for public adjusters. The wording was changed for the reporting of continuing education to align with the producer license line of authority renewal to be the last day of the birth month of the public adjuster producer. In the last paragraph of the continuing education for public adjuster the lines were removed as this is not for a public adjuster but for a provider for continuing education.

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

2025 HOUSE INDUSTRY, BUSINESS AND LABOR

SB 2125

2025 HOUSE STANDING COMMITTEE MINUTES

Industry, Business and Labor Committee Room JW327C, State Capitol

SB 2125
3/5/2025

A BILL for an Act to create and enact section 26.1-26-33.1 of the North Dakota Century Code, relating to obligations of insurance producers to maintain an electronic mailing address for regulatory use; to amend and reenact sections 26.1-26-11, 26.1-26-22, 26.1-26-42.1, 26.1-26.8-09, 26.1-26.8-11, and 26.1-26.8-12 of the North Dakota Century Code, relating to producer's lines of insurance, service of process for producer proceedings, revocation of nonresident producer licenses, requirements for renewal of business entity public adjuster licenses, public adjuster proof of insurance requirements, and public adjuster continuing education requirements

2:04 p.m. Chairman Warrey opened the meeting.

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

Members Absent: Representatives Bahl, Brown, Kasper, Koppelman

Discussion Topics:

- Updates to code
- Producer Licensing Model Law Act (PLMA)
- Consistency
- Electronic mail
- Nonresident producers license
- Public adjuster license
- Proof of insurance
- Proof of surety bond
- Continuing education
- Accommodating producers
- Home State license

2:04 p.m. Janelle Middlestead, Producer Licensing Director, ND Insurance Department, testified and submitted testimony #38697 and #38966.

2:16 p.m. Representative Johnson moved Do Pass.

2:16 p.m. Representative Grindberg seconded the motion

Representatives	Vote
Representative Jonathan Warrey	Y
Representative Mitch Ostlie	Y
Representative Jorin Johnson	Y
Representative Landon Bahl	AB

Representative Collette Brown	AB
Representative Lisa Finley-DeVille	Y
Representative Karen Grindberg	Y
Representative Jim Kasper	AB
Representative Ben Koppelman	AB
Representative Dan Ruby	Y
Representative Mike Schatz	Y
Representative Austin Schauer	Y
Representative Daniel R. Vollmer	Y

Motion passed 9-0-4.

2:18 p.m. Representative J. Johnson will carry the bill.

2:18 p.m. Chairman Warrey closed the meeting.

Diane Lillis, Committee Clerk

REPORT OF STANDING COMMITTEE
SB 2125 ([25.8132.01000](#))

Industry, Business and Labor Committee (Rep. Warrey, Chairman) recommends **DO PASS** (9 YEAS, 0 NAYS, 4 ABSENT OR EXCUSED AND NOT VOTING). SB 2125 was placed on the Fourteenth order on the calendar.



NORTH DAKOTA
Insurance Department

TESTIMONY

Janelle Middlestead, Producer Licensing Director

House Industry, Business and Labor Committee

March 5, 2025

Good afternoon, Chairman Warrey and members of the Industry, Business and Labor Committee. My name is Janelle Middlestead, I am the Producer Licensing Director for the North Dakota Insurance Department. I stand before you today on behalf of Commissioner Godfreed in support of Senate Bill 2125, which is an agency bill addressing several updates to producer's line of insurance, service of process for producer proceedings, revocation of nonresident producer licenses, and multiple updates to the public adjuster licenses to maintain consistency with the process and procedures for the producer licensing division

Section one of the bill allows the Department to follow the Producer Licensing Model Law Act (PLMA) which has key indicators that are best practices and recommended changes that will align our state with other states that utilize National Insurance Producer Registry (NIPR). Streamlining our major lines of authority (LOA) as outlined in the PLMA. These changes would be for the new names, Life, Accident and health or sickness, Variable life & variable annuity. The other line of authorities were changed back in 2019; Crop Hail to Crop, and Travel/Baggage to Travel.

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this is required for the producer to update if there are any changes within thirty days of legal name change, address, or electronic mailing address.

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There was no opposition with industry and was passed unanimously out of senate.

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



\$10,000 in 2007 vs. 2024

