

CHAPTER 45-01-01 ORGANIZATION OF DEPARTMENT

45-01-01-01. Organization of insurance department.

1. History and functions. Section 12 of article V of the Constitution of North Dakota provides for the office of insurance commissioner. North Dakota Century Code title 26.1 contains statutes pertaining to the commissioner and the department. Besides administering and regulating all matters pertaining to insurance, the commissioner ~~manages the state bonding fund, administers the state fire and tornado fund~~ regulates securities exempt from federal regulation, and manages the state fire marshal.

History: Amended effective January 1, 1982; August 1, 1983; March 1, 1986; January 1, 1992; February 1, 1993; April 1, 1994; June 1, 2003; January 1, 2009; October 1, 2019; January 1, 2024; July 1, 2026.

General Authority: NDCC 28-32-02.1

Law Implemented: NDCC 28-32-02.1

CHAPTER 45-02-02
LICENSING OF INSURANCE PRODUCERS, SURPLUS LINES INSURANCE PRODUCERS,
AND CONSULTANTS

Section

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45-02-02-01. Definitions.

Unless otherwise defined, or made inappropriate by context, all words used in this chapter have meaning as given them under North Dakota Century Code chapter 26.1-26. "Department" means North Dakota insurance and securities department.

History: Effective September 1, 1983; amended effective April 1, 2010; July 1, 2026.

General Authority: NDCC 26.1-26-49

Law Implemented: NDCC 26.1-26-02

45-02-02-02. Applications for licenses.

1. Resident insurance producers' applications.

- a. A complete application must be completed in accordance with the instruction sheet and submitted either electronically through the national association of insurance commissioners subsidiary or with a paper filing on a commissioner-approved application form.
- ~~b. An applicant licensed in another state within the preceding ninety days who moves to this state must provide, with the application, proof of clearance from the state in which the insurance producer is currently or was most recently licensed as a resident insurance producer.~~
- c. An application ~~form~~ is required to add an additional line of insurance.
- d. Every application submitted to the department through either a paper or electronic filing must be accompanied by the appropriate fee made payable to either the commissioner or the commissioner's designee pursuant to North Dakota Century Code section 26.1-01-07.

2. **Nonresident insurance producers' applications.**
 - a. ~~A complete application for a nonresident insurance producer's license must comply with subdivisions a, c, and d of subsection 1. and must contain a written designation of the commissioner and the commissioner's successors in office as that insurance producer's true and lawful attorney for purposes of service of process.~~
 - b. ~~An applicant for a nonresident insurance producer's license must have the state, which issued the agent's resident license, supply to the department a certificate showing the lines for which the agent is licensed and eligible to write in that state. This certification may be submitted by the national association of insurance commissioners' producer data base.~~
3. **Surplus lines insurance producers' applications.** A surplus lines insurance producer's application must be submitted in accordance with chapter 45-09-01.
4. **Consultants' applications.**
 - a. An application for a consultant's license must be submitted in accordance with the instruction sheet provided by the department and submitted on the appropriate form.
 - b. No person holding a license as an insurance producer or surplus lines insurance producer may obtain and simultaneously hold a license as a consultant. If the applicant holds such licenses at the time of application, the licenses must be canceled prior to obtaining a consultant's license.
5. **Temporary license applications.**
 - a. An application for a temporary insurance producer's license must be submitted in accordance with section 45-02-02-02.
 - b. The application must be accompanied by a written statement of the reasons for requesting the issuance of a temporary license.
 - c. A temporary license will not be granted for the sole reason that the applicant has failed to pass the insurance producers' examination and desires to be licensed until such time as a passing examination score is obtained.

History: Effective September 1, 1983; amended effective October 1, 1984; January 1, 1987; April 1, 1996; January 1, 2000; December 1, 2001; January 1, 2008; January 1, 2016; October 1, 2019; July 1, 2026.

General Authority: NDCC 26.1-26-49

Law Implemented: NDCC 26.1-26-12, 26.1-26-13

45-02-02-03. Examination for licensure.

1. An applicant must qualify for a line of authority by passing the examination as provided in this chapter.
2. The examination is administered under a contract with a testing service.
3. An applicant must present a photo identification card at the test center prior to being admitted for testing.
4. An examination score is valid for one year after the date of the examination for a license applicant who has not completed the application process and who has not obtained licensure. After one year from the date of the examination, an applicant must retake the required examination.

5. An examination is valid for as long as a person continuously holds a valid insurance producer's license issued by the North Dakota insurance and securities department and for twelve months following cancellation of a license, with the exception that an examination ceases to be valid immediately upon the suspension or revocation of the license unless the order of suspension or revocation specifies otherwise.

History: Effective September 1, 1983; amended effective October 1, 1984; January 1, 2000; December 1, 2001; January 1, 2008; April 1, 2010; July 1, 2026.

General Authority: NDCC 26.1-26-49

Law Implemented: NDCC 26.1-26-14, 26.1-26-27

45-02-02-04. Specific examination requirements.

1. An applicant applying to conduct insurance in the following lines must pass the following examinations:

a. Life and annuity	Life and annuity
b. Accident and health <u>or sickness</u>	Accident and health <u>or sickness</u>
c. Property	Property
d. Casualty	Casualty
e. Variable life and <u>variable</u> annuity	Life and <u>variable</u> annuity

2. An applicant applying for a license for title insurance is exempt from any examination requirement but must meet the following qualifications:
 - a. The applicant must be a licensed abstracter or attorney; or
 - b. The applicant must have a minimum of eighty hours of training provided by an insurer licensed in the line of title insurance. A certification by the insurer that the training has been completed must accompany the application.

3. An applicant for a license to write travel ~~and baggage~~ insurance coverage for trip cancellation, trip interruption, baggage, life, sickness and accident, disability, and personal effects when limited to a specific trip and sold in connection with transportation provided by a common carrier is exempt from examination requirements.

4. An applicant for a license with the line of authority of surety shall take and pass the casualty examination. Surety coverage is insurance or a bond that covers obligations to pay the debts of or answer for the default of another, including faithlessness in a position of public or private trust, but not including bail bonds.

5. An applicant for a license to write the following products need only take the reduced examination required for that specific product:
 - a. Bail bonds.
 - b. Credit including credit life, credit disability, credit property, credit unemployment, involuntary unemployment, mortgage life, mortgage guaranty, mortgage disability, guaranteed automobile protection insurance, and any other form of insurance offered in connection with an extension of credit that is limited to partially or wholly extinguishing that credit obligation that the insurance commissioner determines should be designated a form of credit insurance.

- c. ~~Crop or crop-hail.~~ Crop or crop-hail insurance is insurance providing protection against damage to crops from unfavorable weather conditions, fire or lightning, flood, hail, insect infestation, disease or other yield-reducing conditions, or perils provided by the private insurance market, or that is subsidized by the federal crop insurance corporation, including multiperil crop insurance.
 - d. Legal expense, including prepaid legal service.
 - e. Personal lines. Personal lines is property and casualty insurance coverage sold to individuals and families for primarily noncommercial purposes.
6. An applicant for a consultant's license shall take and pass the insurance producer's examination for the lines in which the applicant seeks to consult. If an applicant for a consultant's license holds a North Dakota insurance producer's license, the applicant is exempt from the testing requirements for the lines held on the insurance producer's license within the twelve months preceding the date on which the consultant application is filed with the commissioner. However, the applicant must cancel the insurance producer's license prior to obtaining a consultant's license.

History: Effective September 1, 1983; amended effective October 1, 1984; January 1, 2000; December 1, 2001; January 1, 2008; April 1, 2010; January 1, 2016; July 1, 2026.

General Authority: NDCC 26.1-26-49

Law Implemented: NDCC 26.1-26-25

45-02-02-05. Effective date of insurance producer license - New line.

- 1. An applicant who has filed a completed application for an insurance producer's license with the insurance department may first transact business under that license effective the date the applicant's application is approved by the insurance department.
- 2. An insurance producer who is adding a new line of insurance may first transact business in that new line effective the date the application is approved by the insurance department.

History: Effective September 1, 1983; amended effective October 1, 1984; January 1, 1987; January 1, 2000; December 1, 2001; July 1, 2026.

General Authority: NDCC 26.1-26-49

Law Implemented: NDCC 26.1-26-08, 26.1-26-12, 26.1-26-13, 26.1-26-32

45-02-02-05.1. Biennial license continuation.

On or before the last day of the month of the licensee's birthday following the two-year anniversary of the issuance of a license by the commissioner and every two years thereafter, an individual insurance producer shall submit an application for license continuation. Applications must be accompanied by the biennial continuation fee of ~~twenty five dollars~~ pursuant to North Dakota Century Code section 26.1-01-07. Resident insurance producers must have on file with the commissioner proof of compliance with continuing education requirements before submitting the application. Nonresident insurance producers must have satisfied the producer's home state's insurance continuing education requirements and be in good standing in the producer's home state before submitting the continuation application.

History: Effective April 1, 2010, amended effective July 1, 2026.

General Authority: NDCC 26.1-26-49

Law Implemented: NDCC 26.1-26-13.4

45-02-02-05.2. Cancellation of license.

The license of an insurance producer who fails to complete the biennial continuation and pay the ~~twenty five dollar~~ continuation fee pursuant to North Dakota Century Code section 26.1-01-07 will be canceled.

History: Effective April 1, 2010, amended effective July 1, 2026.

General Authority: NDCC 26.1-26-49

Law Implemented: NDCC 26.1-26-13.4, 26.1-26-31

45-02-02-06. Appointment and termination procedures.

1. The appointment or termination of an insurance producer must be filed ~~with the department on either a form prescribed by the commissioner or~~ electronically through the national association of insurance commissioners' subsidiary. The insurer shall pay an appointment fee for each insurance producer appointed pursuant to North Dakota Century Code section 26.1-01-07.
2. An insurer shall file with the department a notice of appointment electronically within thirty days from the later of the date the agency contract is executed or the first insurance application is submitted to the insurer. The date of the appointment must include the month, day, and year.
3. An insurer shall file the notice of termination of its agency relationship with an insurance producer electronically within thirty days following the effective date of the termination. Terminations for cause shall be submitted to the department in accordance with the requirements of North Dakota Century Code section 26.1-26-34. The insurer is responsible for notifying the insurance producer of the termination in accordance with North Dakota Century Code section 26.1-26-34.
4. Failure to timely file appointment or termination notifications may subject an insurer to sanctions under North Dakota Century Code title 26.1.

History: Effective September 1, 1983; amended effective October 1, 1984; January 1, 2000; December 1, 2001; July 1, 2026.

General Authority: NDCC 26.1-26-49

Law Implemented: NDCC 26.1-26-08, 26.1-26-12, 26.1-26-13, 26.1-26-31, 26.1-26-32

45-02-02-07. Renewal procedure for appointments.

1. On or before December first of each year, ~~a preliminary renewal list of the insurance producers appointed by that company, together with~~ an instruction letter, will be furnished by the department to each company.
2. On or before March ~~fifteenth~~ first of each year, an electronic renewal invoice will be made available through the national association of insurance commissioners' subsidiary to all companies with active appointments.
3. The insurer shall pay the appropriate fee for all appointments on the renewal invoice prior to May first.

History: Effective September 1, 1983; amended effective October 1, 1984; December 1, 2001; January 1, 2008; July 1, 2026.

General Authority: NDCC 26.1-26-49

Law Implemented: NDCC 26.1-26-08, 26.1-26-32

45-02-02-07.1. License lapse.

Repealed effective December 1, 2001.

45-02-02-08. Agent - Sharing commission.

Repealed effective December 1, 2001.

45-02-02-09. Insurance consultant - Agreement.

In advance of rendering any service as a consultant, such consultant shall prepare a form of written agreement which shall substantially comply with the model form available on request from the insurance department. The form prepared by the consultant shall be submitted to the department for the commissioner's approval or disapproval. If the commissioner disapproves the form, the consultant shall not use the form so disapproved.

In advance of rendering any service as a consultant, a written agreement on the form which has been approved by the department shall be signed by both consultant and client. The consultant shall retain a copy of the agreement for not less than two years after completion of the services. A copy of the agreement shall be available to the department upon request.

History: Effective September 1, 1983.

General Authority: NDCC 26.1-26-49

Law Implemented: NDCC 26.1-26-03, 26.1-26-10, 26.1-26-35

45-02-02-10. Insurance producer and surplus lines insurance producer acting as consultant.

Although licensed insurance producers or surplus lines insurance producers are exempt from licensing as consultants and are specifically prohibited from concurrently holding a consultant's license and a license as an insurance producer or surplus lines insurance producer in any line, licensed insurance producers or surplus lines insurance producers may perform consulting services in the ordinary course of their businesses. However, if licensed insurance producers or surplus lines insurance producers charge a fee, or receive any type of remuneration, for rendering such consulting service, they shall comply with the provisions and requirements of a consultant's agreement set forth in section 45-02-02-09.

History: Effective September 1, 1983; amended effective December 1, 2001.

General Authority: NDCC 26.1-26-49

Law Implemented: NDCC 26.1-26-35

45-02-02-11. Insurance producers selling variable life and variable annuity contracts.

In addition to the requirements set forth in section 45-02-02-03, an applicant for a license to do business in the variable life and variable annuity line must first become licensed as a securities salesman under North Dakota law.

History: Effective September 1, 1983; amended effective October 1, 1984; January 1, 2000; December 1, 2001; July 1, 2026.

General Authority: NDCC 26.1-26-49

Law Implemented: NDCC 26.1-26-11

45-02-02-12. Administrative cancellations.

1. An insurance producer may cancel one's North Dakota insurance license voluntarily. ~~and have a letter of clearance issued by filing a written request with the department.~~
2. ~~The insurance producer must return the licenses to the department.~~
3. The insurance producer is responsible for notifying the appointing companies of the cancellation.
4. A surplus lines insurance producer or consultant may cancel one's license voluntarily. ~~and have a letter of clearance issued by the department upon receipt of a written request from the licenseholder.~~

History: Effective September 1, 1983; amended effective January 1, 2000; December 1, 2001; January 1, 2016; July 1, 2026.

General Authority: NDCC 26.1-26-49

Law Implemented: NDCC 26.1-26-31

45-02-02-13. Change of address.

The change of address required by North Dakota Century Code section 26.1-26-33 must be provided to the department ~~electronically, on a letter or form separate from the application or appointment forms, through the National Insurance Producers Registry (NIPR), or as prescribed by the commissioner, and submitted solely for that purpose.~~

History: Effective September 1, 1983; amended effective October 1, 1984; January 1, 2008; July 1, 2026.

General Authority: NDCC 26.1-26-49

Law Implemented: NDCC 26.1-26-33

45-02-02-14. Excessive or unnecessary coverage.

1. **When presumed a violation.** An insurance producer is presumed to have violated subsection 8 of North Dakota Century Code section 26.1-26-42 when the insurance producer knowingly solicits, procures, or sells a Medicare supplement policy containing both A and B coverage to any person who has such a Medicare supplement policy in force unless the insured is informed by the insurance producer and understands there is to be a replacement of the existing policy and there is an indication in writing or on the face of the application that the new policy is intended to replace the existing policy. It is not presumed to be a violation to solicit and sell a second policy which provides only B coverage. A violation may occur in other situations where there is the sale or solicitation of unnecessary or excessive coverage, even though no presumption has been established under this section.
2. **Suitability.** In recommending the purchase of any accident ~~and health~~, health service, life, ~~annuity~~, or nursing home policy to any consumer over age sixty-five, or Medicare supplement policy to any consumer, an insurance producer shall have reasonable grounds at the time of sale for believing that the recommendation is suitable for the consumer and shall make reasonable inquiries to determine suitability. The suitability of a recommended purchase of insurance will be determined by examination of the totality of the particular consumer's circumstances, including, but not limited to, the following:
 - a. The consumer's income and assets;
 - b. The consumer's need for insurance at the time of sale; and
 - c. The values, benefits, and costs of the consumer's existing insurance program, if any, when compared to the values, benefits, and costs of the recommended policy or policies.
3. **Advisory committee.** Prior to determining whether to prosecute a complaint received for an alleged violation of the sale of life insurance under subsection 2 of section 45-02-02-14, the commissioner shall convene an advisory committee comprised of insurance professionals and other qualified persons to review individual life insurance sales transactions and to make recommendations to appropriate staff of the insurance department regarding the suitability of the sale and whether disciplinary action may be warranted by the facts if proven. The advisory committee shall include the president of the North Dakota association of insurance and financial advisors or the president's designated representative, the president of the North Dakota chapter of chartered life underwriters or the president's designated representative and may include a member designated by the board of the local chapter of the North Dakota association of insurance and financial advisors which is located nearest to the residence of the insurance producer who is the subject of the complaint.

History: Effective October 1, 1984; amended effective July 1, 1986; January 1, 1988; February 1, 1988; December 1, 2001.

General Authority: NDCC 26.1-26-49

Law Implemented: NDCC 26.1-26-42

45-02-02-14.1. Client loans to licensed producers and consultants prohibited - Exceptions.

A licensed insurance producer or consultant may not solicit or accept a loan from an individual with whom the insurance producer or consultant came into contact in the course of the person's insurance business, or sold an insurance policy to, within the past ten years. This does not prohibit a licensed insurance producer or consultant from accepting loans from financial institutions; immediate family members, which shall mean only a spouse, parents, siblings, and children; or other loans upon the prior written approval of the insurance commissioner.

History: Effective November 1, 1987; amended effective December 1, 2001.

General Authority: NDCC 26.1-25-49

Law Implemented: NDCC 26.1-26-42(6)

45-02-02-14.2. Insurance producer indebtedness to companies.

An insurance producer who is personally liable and indebted to an insurance company for the payment of commissions, premiums, or other debts incurred in the insurance producer's insurance business with the company and who fails to timely pay that debt is financially irresponsible within the meaning of subsection 6 of North Dakota Century Code section 26.1-26-42. A civil judgment entered against an insurance producer in favor of an insurance company for the collection of such a debt creates a presumption that subsection 6 of North Dakota Century Code section 26.1-26-42 has been violated.

History: Effective November 1, 1987; amended effective December 1, 2001.

General Authority: NDCC 26.1-25-49

Law Implemented: NDCC 26.1-26-42(6)

45-02-02-15. Proceedings, hearings, and appeals.

All proceedings, hearings, and appeals under this chapter and North Dakota Century Code chapter 26.1-26 are governed by North Dakota Century Code chapter 28-32.

History: Effective October 1, 1984.

General Authority: NDCC 26.1-26-49

Law Implemented: NDCC 26.1-01-08

45-02-02-16. Notification of criminal convictions and administrative actions - Duty of licensee.

Repealed effective December 1, 2001.

**CHAPTER 45-02-03
LICENSING OF ADMINISTRATORS**

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45-02-03-08	Proceedings - Hearings and Appeals

45-02-03-01. Definitions.

Unless otherwise defined or made inappropriate by context, all words used in this chapter have meaning as given them under North Dakota Century Code chapter 26.1-27.

History: Effective September 1, 1983.

General Authority: NDCC 26.1-01-08

Law Implemented: NDCC 26.1-27

45-02-03-02. Application for license - Fee.

All persons defined as administrators under the provisions of North Dakota Century Code chapter 26.1-27 must complete an application form and file it with the insurance department and must remit the required fee pursuant to North Dakota Century Code section 26.1-01-07 along with the application.

History: Effective September 1, 1983; amended effective January 1, 2006; July 1, 2026.

General Authority: NDCC 26.1-01-08

Law Implemented: NDCC 26.1-27

45-02-03-03. Signature on application.

The application must be signed by the applicant personally if an individual, a partner, if a partnership, an officer, if a corporation, association, or benefit society.

History: Effective September 1, 1983.

General Authority: NDCC 26.1-01-08

Law Implemented: NDCC 26.1-27

45-02-03-04. Application of corporation, association, benefit society.

Repealed effective July 1, 2012.

45-02-03-05. Change of address.

The applicant/administrator is required to provide a current address as well as electronic mail address to the department and notify the department of any change in that address within thirty days of such change through the National Insurance Producers Registry (NIPR) or in a manner as prescribed by the commissioner. If such notification is not provided, the ~~certificate of registration~~ license may be administratively terminated.

History: Effective September 1, 1983; amended effective January 1, 2006; July 1, 2026.

General Authority: NDCC 26.1-01-08

Law Implemented: NDCC 26.1-01-08

45-02-03-06. Renewal procedure.

The administrator is required to submit a renewal application and remit the renewal fee on or before April thirtieth of each year in order to maintain the certificate of authority license. If such fee is not received in the prescribed time, the certificate of authority license may be administratively terminated. The department will provide notice of the renewal of the certificate of authority license or the termination of that certificate of authority license. Certificates of authority Licenses issued after January first will not be required to renew until April thirtieth of the following calendar year.

History: Effective September 1, 1983; amended effective January 1, 2006; July 1, 2012; July 1, 2026.

General Authority: NDCC 26.1-01-08

Law Implemented: NDCC 26.1-27

45-02-03-07. Waiver procedure.

Repealed effective January 1, 2006.

45-02-03-08. Proceedings - Hearings and appeals.

All proceedings, hearings, and appeals under this chapter and North Dakota Century Code chapter 26.1-27 shall be governed by North Dakota Century Code chapter 28-32.

History: Effective September 1, 1983.

General Authority: NDCC 26.1-01-08

Law Implemented: NDCC 26.1-27

CHAPTER 45-02-04 INSURANCE CONTINUING EDUCATION

Section

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45-02-04-01. Purpose.

Insurance continuing education courses must promote educational activities that advance one's professional expertise and keep the individual abreast with the insurance industry. Routine meetings, luncheons, and gatherings not advertised and developed as insurance continuing education events will not qualify for insurance continuing education credit. This does not apply to industry, regulatory, or legislative meetings held by or on behalf of a professional insurance association in conjunction with North Dakota Century Code section 26.1-26-31.9.

History: Effective July 1, 1986; amended effective January 1, 2008; October 1, 2019.

General Authority: NDCC 26.1-26-49

Law Implemented: NDCC 26.1-26-49

45-02-04-02. Definitions.

As used in this chapter, unless the context or subject matter otherwise requires:

1. "Commissioner" means the insurance commissioner.
2. "Coordinator" means an individual who is responsible for monitoring insurance continuing education offerings and who serves as the liaison for students, instructors, and the commissioner.
3. "Instructor" means an individual who teaches, lectures, or otherwise instructs an insurance continuing education offering.
4. "Insurance continuing education" means an accredited educational experience derived from participation in approved lectures, seminars, and correspondence courses in areas related to insurance. This education must be designed to improve the professional skills of the participant and upgrade the standard of all insurance licensees to better serve the public.

5. "Insurance lines of authority" for insurance continuing education purposes include life ~~and annuity~~ insurance, accident and health or sickness insurance, property insurance, casualty insurance, personal lines insurance, and ~~crop hail~~ insurance.
6. "Insurance producer or licensee" means a natural person licensed by this state for the type and kind of insurance being marketed and for which licensing examinations are required.
7. "License" means the authorization issued to an individual by the insurance commissioner to act as an insurance producer.
8. "License applicant" means a person not currently licensed or an insurance producer seeking a license for a line or lines of insurance for which the person is not currently licensed.
9. "National insurance education program" means a curriculum dedicated to the continuance of insurance education, leading to a nationally accepted insurance designation, such as a chartered property casualty underwriter (CPCU), a chartered life underwriter (CLU), or a registered health underwriter (RHU).
10. "Provider" means a natural person, firm, institution, partnership, corporation, or association offering or providing insurance education.

History: Effective July 1, 1986; amended effective December 1, 2001; January 1, 2006; January 1, 2008; July 1, 2026.

General Authority: NDCC 26.1-26-49

Law Implemented: NDCC 26.1-26-49

45-02-04-03. General rules.

1. **Course requirements.** The insurance continuing education course requirements include an educational presentation involving insurance fundamentals, policies, laws, risk management, or other courses which are offered in a process of instruction approved by the commissioner as expanding skills and developing knowledge to better serve the insurance buying public.
2. **Nonapproved courses.** The following course content will not qualify for insurance continuing education credit:
 - a. ~~Prelicensure training.~~
 - b. ~~Prospecting.~~
 - c. ~~Recruiting.~~
 - d. ~~Sales skills and promotions.~~
 - e. ~~Motivation.~~
 - f. ~~Psychology.~~
 - g. ~~Communication skills.~~
 - h. ~~Supportive office and machine skills.~~
 - i. ~~Personnel management.~~
 - a. Automation
 - b. Clerical functions
 - c. Computer science

- d. Computer training/skills or software presentations
- e. Courses on investments – stocks, bonds, mutual funds, Financial Industry Regulatory Authority, Securities and Exchange Commission compliance, National Association of Securities Dealers etc.
- f. Courses that are primarily intended to impart knowledge of specific products of specific insurers
- g. Customer service
- h. General management training
- i. Goal-setting
- j. Health/stress/exercise management
- k. Marketing/telemarketing
- l. Motivational training
- m. Company and vendor-specific product launches
- n. Office skills or equipment or procedures
- o. Organizational procedures and internal policies of an individual insurer
- p. Personal improvement
- q. Prospecting
- r. Psychology
- s. Relationship building
- t. Restoration – promoting products or services
- u. Sales training
- v. Service standards or service vendors
- w. Time management

The above listing does not limit the commissioner's authority to disapprove any application which fails to meet the standards for course approval.

3. **Licensee responsibility.** Each licensee shall be responsible for maintaining original records of the licensee's insurance continuing education certificates of attendance for a period of one

year from the last reporting deadline. Such records shall be made available to the commissioner upon request.

4. **Correspondence course credit.** Credit received by an insurance producer for a correspondence course must be based on successful completion of the course as prescribed by the provider and approved by the commissioner.
5. **Reciprocity.** The commissioner may approve credit for insurance-related courses approved by the North Dakota real estate commission and the North Dakota state bar association for insurance continuing education purposes.
6. **Credit hour.** A credit hour means sixty minutes of time, of which at least fifty minutes must be instruction, with a maximum of ten minutes break.
 - a. Credit hours for insurance continuing education will not be approved in increments of less than one-half hour.
 - b. Neither students nor instructors may earn credit for attending or instructing at any subsequent offering of an insurance continuing education course more than once during a reporting period.
7. **Course audit.** The commissioner or an authorized representative reserves the right to audit insurance continuing education offerings with or without notice to the provider.
8. **Class attendance.** No certificate of attendance will be issued to an insurance continuing education participant who is absent for more than ten percent of the classroom hours.
9. **Examinations.** Course examinations will not be required for insurance continuing education courses, unless required by the provider.
10. **Textbooks.** Textbooks are not required for insurance continuing education courses. All course materials must contain accurate and current information relating to the subject matter being taught.
11. **Approval of course offerings.** The commissioner requires providers of insurance continuing education courses to provide the following:
 - a. To the commissioner on a commissioner-approved form prior to course offerings:
 - (1) An application for course approval of an insurance continuing education course fifteen business days prior to course offering;
 - (2) A complete course outline designating individual topics and the amount of time devoted to each area being taught; and
 - ~~(3) An application for coordinator approval; and~~
 - (4) A fifty dollar per course filing fee;
 - b. A class roster to the commissioner using a method prescribed by the commissioner fifteen days subsequent to completion of all insurance continuing education courses; and
 - c. To course participants subsequent to course offerings provide a course attendance certificate (form SFN 10923) to all students successfully completing an approved insurance continuing education course.

Upon review by the commissioner, providers will receive a copy of the course application indicating approval or denial, credit hours assigned, and a course certification number. Course

certification numbers must be used on all insurance continuing education certificates, correspondence, and advertisements.

12. **Provider management responsibility.** Providers of insurance continuing education courses are responsible for the actions of their respective instructors and coordinators.
13. **Course approval after the fact.** Credit may be granted for a course after the fact provided such courses are properly submitted and approved by the commissioner. Subsequent approval depends on course content and is not automatic or guaranteed.
14. **Advertising.** Courses may not be advertised in any manner unless approval has been granted, in writing, by the commissioner.
 - a. All advertising relating to approved course offerings shall contain the following statement: "This course has been approved by the insurance commissioner for (insert hours) of insurance continuing education credit."
 - b. Advertising must be truthful, clear, and not deceptive or misleading.
15. **Fees.** Fees for courses must be reasonable and clearly identifiable to students. If a course is canceled for any reason, all fees must be returned within thirty days of cancellation.
16. **Adequate facility.** Each course of study must be conducted in a classroom or other facility which will adequately and comfortably accommodate the faculty and the number of students enrolled. The provider may limit the number of students enrolled in a course.

History: Effective July 1, 1986; amended effective January 1, 2000; December 1, 2001; January 1, 2006; January 1, 2008; July 1, 2012; July 1, 2026.

General Authority: NDCC 26.1-26-49

Law Implemented: NDCC 26.1-26-49

45-02-04-04. General powers of commissioner.

The commissioner may deny, censure, suspend, or revoke the approval of a provider, coordinator, instructor, or course if it is determined not to be in compliance with the statute or rules governing the offering of insurance continuing education courses. The commissioner may also refuse to approve courses conducted by specific providers if the commissioner determines that past offerings have not been in compliance with insurance continuing education laws and rules.

History: Effective July 1, 1986; amended effective January 1, 2006; January 1, 2008.

General Authority: NDCC 26.1-26-49

Law Implemented: NDCC 26.1-26-49

45-02-04-05. Course coordinator.

1. **General requirement.** Each course of study must have at least one coordinator, approved by the commissioner, who is responsible for supervising the program and assuring compliance with the statutes and rules governing the offering of insurance continuing education courses.
2. **Qualifications.** Course coordinators shall possess at least one of the following qualifications:
 - a. A minimum of five years' experience during the immediately preceding five-year period as an active licensed insurance agent;
 - b. At least three years' full-time experience during the immediately preceding five-year period in the administration of an education program; or

- c. A degree in education plus at least two years' insurance experience during the immediately preceding five-year period.
- ~~3. **Forms.** Applications for coordinator approval must be submitted on forms prescribed by the commissioner.~~
4. **Responsibilities.** Coordinators shall be responsible for, but not limited to, the following:
 - a. Assuring compliance with all laws and rules pertaining to insurance continuing education;
 - b. Notifying the commissioner of any material change in course content;
 - c. Assuring that students are provided with current, accurate information, and classroom facilities conducive to a sound learning environment;
 - d. Evaluation of courses and instructors. The commissioner may request written evaluations of courses and instructors either by students or coordinators;
 - e. Investigating complaints relating to course offerings and instructors, and forwarding all written complaints to the insurance department;
 - f. Maintaining accurate records relating to course offerings, instructors, and student attendance for a period of five years from the date the course was completed;
 - g. Being available to instructors and students by providing the name of the coordinator and a telephone number at which the coordinator can be reached;
 - h. Providing students with course attendance certificates on a form prescribed by the commissioner, within thirty days of course completion; and
 - i. Notifying the commissioner, fifteen days in advance, of any changes in course offering dates and subsequent offering dates of an approved course.

History: Effective July 1, 1986; amended effective January 1, 2006; January 1, 2008; July 1, 2026.

General Authority: NDCC 26.1-26-49

Law Implemented: NDCC 26.1-26-49

45-02-04-06. Instructors.

1. **General requirement.** Failure to have approved instructors teaching an approved insurance continuing education offering will result in loss of course approval.
2. **Qualifications.** Instructors shall possess the following qualifications:
 - a. Three years of recent experience in the subject area being taught;
 - b. A degree related to the subject area being taught; or
 - c. Two years of recent experience in the subject area being taught and sixty hours of coursework in the subject area being taught.
3. **Responsibilities.** Instructors shall be responsible for, but not limited to, the following:
 - a. Complying with all laws and rules pertaining to insurance continuing education;
 - b. Providing students with current and accurate information;
 - c. Providing a classroom atmosphere conducive to learning; and

- d. Assisting students and responding to questions relating to course material.

History: Effective July 1, 1986; amended effective January 1, 2008.

General Authority: NDCC 26.1-26-49

Law Implemented: NDCC 26.1-26-49

45-02-04-07. Prohibited practices.

Providers, coordinators, and instructors are prohibited from misrepresenting any material submitted to the commissioner.

History: Effective July 1, 1986; amended effective January 1, 2006.

General Authority: NDCC 26.1-26-49

Law Implemented: NDCC 26.1-26-49

45-02-04-08. Extension of time.

The commissioner may grant an extension of time, not to exceed one year, for completion of the requirements for continuing education. Such requests must be in writing and received by the commissioner thirty days prior to the ending date of the period for which the extension is requested. Extensions may be granted for health, disability, or other extenuating circumstances.

History: Effective July 1, 1986.

General Authority: NDCC 26.1-26-49

Law Implemented: NDCC 26.1-26-31.5

45-02-04-09. Licensee report of compliance.

Repealed effective April 1, 2010.

45-02-04-09.1. Continuing education due dates.

On or before the last day of the month of the licensee's birthday following the two-year anniversary of the issuance of a license and every two years thereafter, an individual resident insurance producer must complete continuing education requirements set out in North Dakota Century Code section 26.1-26-31.1.

History: Effective April 1, 2010.

General Authority: NDCC 26.1-26-49

Law Implemented: NDCC 26.1-26-31.1

45-02-04-09.2. Reporting continuing education to commissioner.

Continuing education providers are required to report completion of continuing education courses to the commissioner. However, it is the responsibility of the individual resident insurance producer to ensure that the commissioner's records reflect the completion of the required number of continuing education courses on or before the continuing education due date. The insurance producer must correct any discrepancies in the record through the continuing education provider.

History: Effective April 1, 2010.

General Authority: NDCC 26.1-26-49

Law Implemented: NDCC 26.1-26-49

45-02-04-09.3. Exemptions from continuing education for limited lines.

An insurance producer licensed exclusively for the sale of title insurance, travel or ~~baggage~~ insurance, surety, bail bonds, legal expense insurance, or credit insurance is exempt from continuing education requirements.

History: Effective July 1, 2012, amended effective July 1, 2026.

General Authority: NDCC 26.1-26-49

Law Implemented: NDCC 26.1-26-31.1(1)

45-02-04-10. License revocation.

Repealed effective April 1, 2010.

45-02-04-11. Nonresident continuing education.

Repealed effective July 1, 2026.

45-02-04-12. Nonresident letter of certification required.

Repealed effective December 1, 2001.

45-02-04-13. Penalty.

Repealed effective April 1, 2010.

45-02-04-14. Cancellation.

Repealed effective April 1, 2010.

45-02-04-15. Continuing education for relicensure.

A resident insurance producer whose license is voluntarily canceled or whose license is canceled for failure to complete the biennial continuation, may apply within twelve months of the cancellation date for a license by submitting an application form and license fee. The applicant will not be required to retake qualifying examinations if the examination results are still valid pursuant to subsection 7 of section 45-02-02-03. However, the applicant must have completed continuing education requirements as though the license had been continuously active throughout the period of cancellation.

History: Effective April 1, 2010.

General Authority: NDCC 26.1-26-49

Law Implemented: NDCC 26.1-26-49

CHAPTER 45-03-05
INSURANCE HOLDING COMPANY SYSTEM MODEL REGULATION WITH REPORTING
FORMS AND INSTRUCTIONS

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45-03-05-01. Authority.

This chapter is promulgated pursuant to the authority granted by North Dakota Century Code chapter 26.1-10.

History: Effective January 1, 1982.

General Authority: NDCC 26.1-10-12

Law Implemented: NDCC 26.1-10

45-03-05-02. Purpose.

The purpose of this chapter is to set forth rules and procedural requirements which the commissioner deems necessary to carry out the provisions of the North Dakota Insurance Holding Company System Regulatory Act (North Dakota Century Code chapter 26.1-10). The information called for by this chapter is declared to be necessary and appropriate in the public interest and for the protection of policyholders and shareholders in this state.

History: Effective January 1, 1982.

General Authority: NDCC 26.1-10-12

Law Implemented: NDCC 26.1-10

45-03-05-03. Severability clause.

If any provision of this chapter, or the application of this chapter to any person or circumstance, is held invalid, the invalidity shall not affect other provisions or applications of this chapter which can be

given effect without the invalid provision or application, and to that end the provisions of this chapter are severable.

History: Effective January 1, 1982.

General Authority: NDCC 26.1-10-12

Law Implemented: NDCC 26.1-10

45-03-05-04. Forms - General requirements.

1. Forms A, B, C, D, E, and F are intended to be guides in the preparation of the statements required by North Dakota Century Code sections 26.1-10-03, 26.1-10-03.1, 26.1-10-04, and 26.1-10-05. They are not intended to be blank forms which are to be filled in. The statements filed shall contain the numbers and captions of all items, but the text of the items may be omitted provided the answers are prepared in such a manner as to indicate clearly the scope and coverage of the items. All instructions, whether appearing under the items of the form or elsewhere in the form, are to be omitted. Unless expressly provided otherwise, if any item is inapplicable or the answer thereto is in the negative, an appropriate statement to that effect shall be made.
2. Two complete copies of each statement including exhibits and all other papers and documents filed as a part of the statement shall be filed with the commissioner by personal delivery or mail addressed to: Commissioner of Insurance, Fifth Floor, State Capitol, Bismarck, North Dakota 58505, Attention: Legal Department. At least one of the copies shall be signed in the manner prescribed on the form. Unsigned copies shall be conformed. If the signature of any person is affixed pursuant to a power of attorney or other similar authority, a copy of the power of attorney or other authority shall also be filed with the statement.
3. If an applicant requests a hearing on a consolidated basis under subdivision c of subsection 4 of section 26.1-10-03 of the North Dakota Century Code. in addition to filing the Form A with the commissioner, the applicant shall file a copy of Form A with the national association of insurance commissioners in electronic form.
4. Statements should be prepared electronically. Statements must be easily readable, and suitable for review and reproduction. Debits in credit categories and credits in debit categories shall be designated so as to be clearly distinguishable as such on photocopies. Statements shall be in the English language and monetary values shall be stated in United States currency. If any exhibit or other paper or document filed with the statement is in a foreign language, it shall be accompanied by a translation into the English language and any monetary value shown in a foreign currency normally shall be converted into United States currency.

History: Effective January 1, 1982; amended effective January 1, 1992; January 1, 2016.

General Authority: NDCC 26.1-10-12

Law Implemented: NDCC 26.1-10-03, 26.1-10-04

45-03-05-05. Forms - Incorporation by reference, summaries, and omissions.

1. Information required by any item of Form A, Form B, Form D, Form E, or Form F may be incorporated by reference in answer or partial answer to any other item. Information contained in any financial statement, annual report, proxy statement, statement filed with a governmental authority, or any other document may be incorporated by reference in answer or partial answer to any item of Form A, Form B, Form D, Form E, or Form F provided the document is filed as an exhibit to the statement. Excerpts of documents may be filed as exhibits if the documents are extensive. Documents currently on file with the commissioner which were filed within three years need not be attached as exhibits. References to information contained in exhibits or in documents already on file shall clearly identify the material and shall specifically

indicate that the material is to be incorporated by reference in answer to the item. Matter shall not be incorporated by reference in any case where the incorporation would render the statement incomplete, unclear, or confusing.

2. Where an item requires a summary or outline of the provisions of any document, only a brief statement shall be made as to the pertinent provisions of the document. In addition to the statement, the summary or outline may incorporate by reference particular parts of any exhibit or document currently on file with the commissioner which were filed within three years and may be qualified in its entirety by the reference. In any case where two or more documents required to be filed as exhibits are substantially identical in all material respects except as to the parties thereto, the dates of execution, or other details, a copy of only one of the documents need be filed with a schedule identifying the omitted documents and setting forth the material details in which the documents differ from the documents a copy of which is filed.

History: Effective January 1, 1982; amended effective January 1, 1992; January 1, 2016.

General Authority: NDCC 26.1-10-12

Law Implemented: NDCC 26.1-10-03, 26.1-10-04

45-03-05-06. Forms - Information unknown or unavailable and extension of time to furnish.

If it is impractical to furnish any required information, document, or report at the time it is required to be filed, there must be filed with the commissioner a separate document:

1. Identifying the information, document, or report in question;
2. Stating why the filing thereof at the time required is impractical; and
3. Requesting an extension of time for filing the information, document, or report to a specified date. The request for extension must be deemed granted unless the commissioner, within forty-five days after receipt thereof, enters an order denying the request.

History: Effective January 1, 1982; amended effective January 1, 2016.

General Authority: NDCC 26.1-10-12

Law Implemented: NDCC 26.1-10-03, 26.1-10-04

45-03-05-07. Forms - Additional information and exhibits.

In addition to the information expressly required to be included in Form A, Form B, Form C, Form D, Form E, and Form F, the commissioner may request further material information, if any, as may be necessary to make the information contained therein not misleading. The person filing may also file the exhibits as it may desire in addition to those expressly required by the statement. The exhibits shall be so marked as to indicate clearly the subject matters to which they refer. Changes to Forms A, B, C, D, E, or F must include on the top of the cover page the phrase: "Change No. (insert number) to" and must indicate the date of the change and not the date of the original filing.

History: Effective January 1, 1982; amended effective January 1, 1992; January 1, 2016.

General Authority: NDCC 26.1-10-12

Law Implemented: NDCC 26.1-10-03, 26.1-10-04

45-03-05-08. Forms - Amendments.

Any amendment for Form A, Form B, Form C, and Form D shall include on the top of the cover page the phrase: "Amendment No. (insert number) to" and shall indicate the date of the amendment and not the date of the original filing.

History: Effective January 1, 1982; amended effective January 1, 1992.

General Authority: NDCC 26.1-10-12

Law Implemented: NDCC 26.1-10-03, 26.1-10-04

45-03-05-09. Definitions.

1. "Executive officer" means chief executive officer, chief operating officer, chief financial officer, treasurer, secretary, controller, and any other individual performing functions corresponding to those performed by the foregoing officers under whatever title.
2. "Ultimate controlling person" means that person which is not controlled by any other person.
4. Unless the context otherwise requires, other terms found in this chapter and in North Dakota Century Code section 26.1-10-01 are used as defined in that section. Other nomenclature or terminology is according to the Insurance Code, or industry usage if not defined in the code.

History: Effective January 1, 1982; amended effective January 1, 1992; January 1, 2016.

General Authority: NDCC 26.1-10-12

Law Implemented: NDCC 26.1-10-01

45-03-05-10. Subsidiaries of domestic insurers.

The authority to invest in subsidiaries under subsection 2 of North Dakota Century Code section 26.1-10-02 is in addition to any authority to invest in subsidiaries which may be contained in any other provision of the Insurance Code.

History: Effective January 1, 1982; amended effective January 1, 2016.

General Authority: NDCC 26.1-10-12

Law Implemented: NDCC 26.1-10-02, 26.1-10-03

45-03-05-11. Acquisition of control - Statement filing.

A person required to file a statement pursuant to North Dakota Century Code section 26.1-10-03 shall furnish the required information on Form A, hereby made a part of this chapter. The person shall also furnish the required information on Form E, hereby made a part of this chapter and described in section 45-03-05-12.2.

History: Effective January 1, 1982; amended effective January 1, 2016.

General Authority: NDCC 26.1-10-12

Law Implemented: NDCC 26.1-10-03

45-03-05-12. Amendments to Form A.

The applicant shall promptly advise the commissioner of any changes in the information so furnished on Form A arising subsequent to the date upon which the information was furnished but prior to the commissioner's disposition of the application.

History: Effective January 1, 1982; amended effective January 1, 1992; January 1, 2016.

General Authority: NDCC 26.1-10-12

Law Implemented: NDCC 26.1-10-03, 26.1-10-04

45-03-05-12.1. Acquisition of subdivision d of subsection 1 of North Dakota Century Code section 26.1-10-03 insurers.

1. If the person being acquired is deemed to be a "domestic insurer" solely because of the provisions of subdivision d of subsection 1 of North Dakota Century Code section 26.1-10-03, the name of the domestic insurer on the cover page must be indicated as follows:

"ABC Insurance Company, a subsidiary of XYZ Holding Company".

2. If subdivision d of subsection 1 of North Dakota Century Code section 26.1-10-03 insurer is being acquired, references to "the insurer" contained in Form A must refer to both the domestic subsidiary insurer and the person being acquired.

History: Effective January 1, 1992; amended effective January 1, 2016.

General Authority: NDCC 28-32

Law Implemented: NDCC 26.1-02-02, 26.1-06.1-01, 26.1-10-05

45-03-05-12.2. Preacquisition notification.

If a domestic insurer, including any person controlling a domestic insurer, is proposing a merger or acquisition pursuant to subdivision a of subsection 1 of North Dakota Century Code section 26.1-10-03, that person shall file a preacquisition notification Form E, which was developed pursuant to subdivision a of subsection 3 of North Dakota Century Code section 26.1-10-03.1.

Additionally, if a nondomiciliary insurer licensed to do business in this state is proposing a merger or acquisition pursuant to North Dakota Century Code section 26.1-10-03.1, that person shall file a preacquisition notification Form E. No preacquisition notification form need be filed if the acquisition is beyond the scope of North Dakota Century Code section 26.1-10-03.1 as set forth in subdivision b of subsection 2 of North Dakota Century Code section 26.1-10-03.1.

In addition to the information required by Form E, the commissioner may wish to require an expert opinion as to the competitive impact of the proposed acquisition.

History: Effective January 1, 2016.

General Authority: NDCC 28-32

Law Implemented: NDCC 26.1-10

45-03-05-13. Annual registration of insurers - Statement filing.

An insurer required to file an annual registration statement pursuant to North Dakota Century Code section 26.1-10-04 shall furnish the required information on Form B, hereby made a part of this chapter.

History: Effective January 1, 1982; amended effective January 1, 1992; February 28, 1992; January 1, 2016.

General Authority: NDCC 26.1-10-12

Law Implemented: NDCC 26.1-10-04

45-03-05-13.1. Summary of changes to registration - Statement filing.

An insurer required to file an annual registration statement pursuant to North Dakota Century Code section 26.1-10-04 is also required to furnish information required on Form C, hereby made a part of this chapter.

History: Effective January 1, 1992; amended effective February 28, 1992; January 1, 2016.

General Authority: NDCC 28-32

Law Implemented: NDCC 26.1-10-04

45-03-05-14. Amendments to Form B.

1. An amendment to Form B must be filed within fifteen days after the end of the month in which there is a material change to the information provided in the annual registration statement.
2. Amendments must be filed in the Form B format with only those items which are being amended reported. Each such amendment must include at the top of the cover page: "Amendment No. (insert number) to Form B for (insert year)" and must indicate the date of the change and not the date of the original filings.

History: Effective January 1, 1982; amended effective January 1, 1992; February 28, 1992; January 1, 2016.

General Authority: NDCC 26.1-10-12

Law Implemented: NDCC 26.1-10-04

45-03-05-15. Alternative and consolidated registrations.

1. Any authorized insurer may file a registration statement on behalf of any affiliated insurer or insurers which are required to register under North Dakota Century Code section 26.1-10-04. A registration statement may include information not required by North Dakota Century Code chapter 26.1-10 regarding any insurer in the insurance holding company system even if the insurer is not authorized to do business in this state. In lieu of filing a registration statement on Form B, the authorized insurer may file a copy of the registration statement or similar report which it is required to file in its state of domicile, provided:
 - a. The statement or report contains substantially similar information required to be furnished on Form B; and
 - b. The filing insurer is the principal insurance company in the insurance holding company system.
2. The question of whether the filing insurer is the principal insurance company in the insurance holding company system is a question of fact and an insurer filing a registration statement or report in lieu of Form B on behalf of an affiliated insurer, shall set forth a brief statement of facts which will substantiate the filing insurer's claim that it, in fact, is the principal insurer in the insurance holding company system.
3. With the prior approval of the commissioner, an unauthorized insurer may follow any of the procedures which could be done by an authorized insurer under subsection 1.
4. Any insurer may take advantage of the provisions of subsection 6 or 7 of North Dakota Century Code section 26.1-10-04 without obtaining the prior approval of the commissioner. The commissioner, however, reserves the right to require individual filings if the commissioner deems such filings necessary in the interest of clarity, ease of administration, or the public good.

History: Effective January 1, 1982; amended effective January 1, 2016.

General Authority: NDCC 26.1-10-12

Law Implemented: NDCC 26.1-10-04

45-03-05-16. Exemptions.

Repealed effective January 1, 1992.

45-03-05-17. Disclaimers and termination of registration.

1. A disclaimer of affiliation or a request for termination of registration claiming that a person does not, or will not upon the taking of some proposed action, control another person (hereinafter referred to as the subject) shall contain the following information:
 - a. The number of authorized, issued and outstanding voting securities of the subject.
 - b. With respect to the person whose control is denied and all affiliates of that person, the number and percentage of shares of the subject's voting securities which are held of record or known to be beneficially owned, and the number of the shares concerning which there is a right to acquire, directly or indirectly.

- c. All material relationships and bases for affiliation between the subject and the person whose control is denied and all affiliates of that person.
 - d. A statement explaining why that person should not be considered to control the subject.
2. A request for termination of registration shall be deemed to have been granted unless the commissioner, within thirty days after the commissioner receives the request, notifies the registrant otherwise.

History: Effective January 1, 1982; amended effective January 1, 2016.

General Authority: NDCC 26.1-10-12

Law Implemented: NDCC 26.1-10-04

45-03-05-17.1. Transactions subject to prior notice - Notice filing.

1. An insurer required to give notice of a proposed transaction pursuant to North Dakota Century Code section 26.1-10-05 shall furnish the required information on Form D, hereby made a part of these rules.
2. Agreements for cost-sharing services and management services must at a minimum and as applicable:
 - a. Identify the person providing services and the nature of the services;
 - b. Set forth the methods to allocate costs;
 - c. Require timely settlement, not less frequently than on a quarterly basis, and compliance with the requirements in the national association of insurance commissioners accounting practices and procedures manual;
 - d. Prohibit advancement of funds by the insurer to the affiliate except to pay for services defined in the agreement;
 - e. State that the insurer will maintain oversight for functions provided to the insurer by the affiliate and that the insurer will monitor services annually for quality assurance;
 - f. Define books and records of the insurer to include all books and records developed or maintained under or related to the agreement;
 - g. Specify that all books and records of the insurer are and remain the property of the insurer and are subject to control of the insurer;
 - h. State that all funds and invested assets of the insurer are the exclusive property of the insurer, held for the benefit of the insurer and are subject to the control of the insurer;
 - i. Include standards for termination of the agreement with and without cause;
 - j. Include provisions for indemnification of the insurer in the event of gross negligence or willful misconduct on the part of the affiliate providing the services;
 - k. Specify that, if the insurer is placed in receivership or seized by the commissioner under North Dakota Century Code chapter 26.1-06.1:
 - (1) All of the rights of the insurer under the agreement extend to the receiver or commissioner; and

(2) All books and records will immediately be made available to the receiver or the commissioner, and shall be turned over to the receiver or commissioner immediately upon the receiver's or the commissioner's request;

(3) A complete set of books and records of the insurer will immediately be made available to the receiver or the commissioner, shall be made available in a usable format and shall be turned over to the receiver or the commissioner immediately upon the receiver or the commissioner's request, and the cost to transfer the books and records to the receiver or the commissioner shall be fair and reasonable; and,

(4) The affiliated person(s) will make available all employees essential to the operations of the insurer and the services associated therewith for the immediate continued performance of the essential services ordered or directed by the receiver or the commissioner;

l. Specify that the affiliate has no automatic right to terminate the agreement if the insurer is placed in, supervision, seizure, conservatorship, or receivership pursuant to North Dakota Century Code chapter 26.1-06.1; and

m. Specify that the affiliate will provide the essential services for a minimum period of time after termination of the agreement, if the insurer is placed into supervision, seizure, conservatorship or receivership pursuant to North Dakota Century Code chapter 26.1-06., as ordered or directed by the receiver or commissioner. Performance of the essential services will continue to be provided without regard to pre-receivership unpaid fees, so long as the affiliate continues to receive timely payment for post-receivership services rendered, and unless released by the receiver, commissioner or supervising court;

~~n.m. Specify that the affiliate will continue to maintain any systems, programs, or other infrastructure notwithstanding a supervision, seizure, conservatorship or receivership by the commissioner under pursuant to North Dakota Century Code chapter 26.1-06.1, and will make them available to the receiver, or the commissioner as ordered or directed by the receiver or the commissioner, for so long as the affiliate continues to receive timely payment for post-receivership services rendered and unless released by the receiver, the commissioner or supervising court; and-~~

o. Specify that, in furtherance of the cooperation between the receiver and the affected guaranty association(s) and subject to the receiver's authority over the insurer, if the insurer is placed into supervision, seizure, conservatorship or receivership pursuant to North Dakota Century Code chapter 26.1-06.1, and portions of the insurer's policies or contracts are eligible for coverage by one or more guaranty associations, the affiliate's commitments under subdivisions k, l, m and n of subsection 2 of this rule will extend to such guaranty association(s).

History: Effective January 1, 1992; amended effective January 1, 2016; July 1, 2026.

General Authority: NDCC 28-32

Law Implemented: NDCC 26.1-10-05

45-03-05-17.2. Enterprise risk report.

The ultimate controlling person of an insurer required to file an enterprise risk report pursuant to subsection 12 of North Dakota Century Code section 26.1-10-04 shall furnish the required information on Form F, hereby made a part of this chapter.

History: Effective January 1, 2016.

General Authority: NDCC 28-32

Law Implemented: NDCC 26.1-10

45-03-05-18. ~~Extraordinary Dividends and Other Distributions~~ Group Capital Calculation.

1. Where an insurance holding company system has previously filed the annual group capital calculation at least once, the lead state commissioner has the discretion to exempt the ultimate controlling person from filing the annual group capital calculation if the lead state commissioner makes a determination based upon that filing that the insurance holding company system meets all of the following criteria:
 - a. Has annual direct written and unaffiliated assumed premium (including international direct and assumed premium), but excluding premiums reinsured with the Federal Crop Insurance Corporation and Federal Flood Program, of less than \$1,000,000,000;
 - b. Has no insurers within its holding company structure that are domiciled outside of the United States or one of its territories;
 - c. Has no banking, depository or other financial entity that is subject to an identified regulatory capital framework within its holding company structure;
 - d. The holding company system attests that there are no material changes in the transactions between insurers and non-insurers in the group that have occurred since the last filing of the annual group capital; and
 - e. The non-insurers within the holding company system do not pose a material financial risk to the insurer's ability to honor policyholder obligations.

2. Where an insurance holding company system has previously filed the annual group capital calculation at least once, the lead state commissioner has the discretion to accept in lieu of the group capital calculation a limited group capital filing if:
 - a. The insurance holding company system has annual direct written and unaffiliated assumed premium (including international direct and assumed premium), but excluding premiums reinsured with the Federal Crop Insurance Corporation and Federal Flood Program, of less than \$1,000,000,000; and all of the following additional criteria are met:
 - (1). Has no insurers within its holding company structure that are domiciled outside of the United States or one of its territories;
 - (2). Does not include a banking, depository or other financial entity that is subject to an identified regulatory capital framework; and
 - (3). The holding company system attests that there are no material changes in transactions between insurers and non-insurers in the group that have occurred since the last filing of the report to the lead state commissioner and the non-insurers within the holding company system do not pose a material financial risk to the insurers ability to honor policyholder obligations.

3. For an insurance holding company that has previously met an exemption with respect to the group capital calculation pursuant subsection 1 or subsection 2 of this rule, the lead state

commissioner may require at any time the ultimate controlling person to file an annual group capital calculation, completed in accordance with the NAIC Group Capital Calculation Instructions, if any of the following criteria are met:

a. Any insurer within the insurance holding company system is in a Risk-Based Capital action level event as set forth in North Dakota Century Code Chapter 26.1-03.1 or a similar standard for a non-U.S. insurer; or

b. Any insurer within the insurance holding company system meets one or more of the standards of an insurer deemed to be in hazardous financial condition as described in Chapter 45-03-13; or

c. Any insurer within the insurance holding company system otherwise exhibits qualities of a troubled insurer as determined by the lead state commissioner based on unique circumstances including, but not limited to, the type and volume of business written, ownership and organizational structure, federal agency requests, and international supervisor requests.

4. A non-U.S. jurisdiction is considered to “recognize and accept” the group capital calculation if it satisfies the following criteria:

a. With respect to subdivision d of subsection 14 of North Dakota Century Code section 26.1-10-04

(1). The non-U.S. jurisdiction recognizes the U.S. state regulatory approach to group supervision and group capital, by providing confirmation by a competent regulatory authority, in such jurisdiction, that insurers and insurance groups whose lead state is accredited by the NAIC under the NAIC Accreditation Program shall be subject only to worldwide prudential insurance group supervision including worldwide group governance, solvency and capital, and reporting, as applicable, by the lead state and will not be subject to group supervision, including worldwide group governance, solvency and capital, and reporting, at the level of the worldwide parent undertaking of the insurance or reinsurance group by the non-U.S. jurisdiction; or

(2). Where no U.S. insurance groups operate in the non-U.S. jurisdiction, that non-U.S. jurisdiction indicates formally in writing to the lead state with a copy to the International Association of Insurance Supervisors that the group capital calculation is an acceptable international capital standard. This will serve as the documentation otherwise required in paragraph 1 of subdivision a of subsection 4 of section 45-03-05-18.

b. The non-U.S. jurisdiction provides confirmation by a competent regulatory authority in such jurisdiction that information regarding insurers and their parent, subsidiary, or affiliated entities, if applicable, shall be provided to the lead state commissioner in accordance with a memorandum of understanding or similar document between the commissioner and such jurisdiction, including but not limited to the International Association of Insurance Supervisors Multilateral Memorandum of Understanding or other multilateral memoranda of understanding coordinated by the NAIC. The commissioner shall determine, in consultation with the NAIC Committee Process, if the requirements of the information sharing agreements are in force.

5. A list of non-U.S. jurisdictions that “recognize and accept” the group capital calculation will be published through the NAIC Committee Process:

a. A list of jurisdictions that “recognize and accept” the group capital calculation pursuant to subdivision d of subsection 14 of North Dakota Century Code section 26.1-10-04, is published through the NAIC Committee Process to assist the lead state commissioner in determining which insurers shall file an annual group capital calculation. The list will clarify those situations in which a jurisdiction is exempted from filing under subdivision d of subsection 14 of North Dakota Century Code section 26.1-10-04. To assist with a determination under subdivision e of subsection 14 of North Dakota Century Code section 26.1-10-04, the list will also identify whether a jurisdiction that is exempted under either subdivision c of subsection 14 of North Dakota Century Code section 26.1-10-04 and subdivision d of subsection 14 of North Dakota Century Code section 26.1-10-04 requires a group capital filing for any U.S. based insurance group’s operations in that non-U.S. jurisdiction.

b. For a non-U.S. jurisdiction where no U.S. insurance groups operate, the confirmation provided to meet the requirement of paragraph 2 of subdivision a of subsection 4 of section 45-03-05-18 will serve as support for recommendation to be published as a jurisdiction that “recognizes and accepts” the group capital calculation through the NAIC Committee Process.

c. If the lead state commissioner makes a determination pursuant to subdivision d of subsection 14 of North Dakota Century Code section 26.1-10-04 that differs from the NAIC List, the lead state commissioner shall provide thoroughly documented justification to the NAIC and other states.

d. Upon determination by the lead state commissioner that a non-U.S. jurisdiction no longer meets one or more of the requirements to “recognize and accept” the group capital calculation, the lead state commissioner may provide a recommendation to the NAIC that the non-U.S. jurisdiction be removed from the list of jurisdictions that “recognize and accepts” the group capital calculation.

History: Effective July 1, 2026.

General Authority: NDCC 28-32

Law Implemented: NDCC 26.1-10

45-03-05-19 ~~Adequacy of Surplus~~ Extraordinary Dividends and Other Distributions

1. Requests for approval of extraordinary dividends or any other extraordinary distribution to shareholders shall include the following:
 - a. The amount of the proposed dividend;
 - b. The date established for payment of the dividend;
 - c. A statement as to whether the dividend is to be in cash or other property and, if in property, a description of the property, its cost, and its fair market value together with an explanation of the basis for valuation;
 - d. A copy of the calculations determining that the proposed dividend is extraordinary. The workpaper must include the following information:

- (1) The amounts, dates, and form of payment of all dividends or distributions (including regular dividends but excluding distributions of the insurer's own securities) paid within the period of twelve consecutive months ending on the date fixed for payment of the proposed dividend for which approval is sought and commencing on the day after the same day of the same month in the last preceding year;
 - (2) Surplus as regards policyholders (total capital and surplus) as of the next preceding December thirty-first;
 - (3) If the insurer is a life insurer, the net gain from operations for the twelve-month period ending the next preceding December thirty-first;
 - (4) If the insurer is not a life insurer, the net income less realized capital gains for the twelve-month period ending the next preceding December thirty-first and the two preceding twelve-month periods; and
 - (5) If the insurer is not a life insurer, the dividends paid to stockholders excluding distributions of the insurer's own securities in the preceding two calendar years.
- e. A balance sheet and statement of income for the period intervening from the last annual statement filed with the commissioner and the end of the month preceding the month in which the request for dividend approval is submitted; and
 - f. A brief statement as to the effect of the proposed dividend upon the insurer's surplus and the reasonableness of surplus in relation to the insurer's outstanding liabilities and the adequacy of surplus relative to the insurer's financial needs.
2. Subject to subsection 2 of North Dakota Century Code section 26.1-10-05, each registered insurer shall report to the commissioner all dividends and other distributions to shareholders within fifteen business days following the declaration thereof, including the same information required by subdivision d of subsection 1.

History: Effective January 1, 1982; amended effective January 1, 1992; February 28, 1992; January 1, 2016; July 1, 2026.

General Authority: NDCC 26.1-10-12

Law Implemented: NDCC 26.1-10-04

~~45-03-05-19~~ 45-03-05-20. Adequacy of surplus.

The factors set forth in subsection 6 of North Dakota Century Code section 26.1-10-05 are not intended to be an exhaustive list. In determining the adequacy and reasonableness of an insurer's surplus, no single factor is controlling. The commissioner, instead, will consider the net effect of all of these factors plus other factors bearing on the financial condition of the insurer. In comparing the surplus maintained by other insurers, the commissioner will consider the extent to which each of these factors varies from company to company and in determining the quality and liquidity of investments in subsidiaries, the commissioner will consider the individual subsidiary and may discount or disallow its valuation to the extent that the individual investments so warrant.

History: Effective January 1, 1982; amended effective January 1, 1992; October 1, 2002; January 1, 2016; July 1, 2026.

General Authority: NDCC 26.1-10-12

Law Implemented: NDCC 26.1-10-05

**FORM A
STATEMENT REGARDING THE
ACQUISITION OF CONTROL OF OR MERGER WITH A DOMESTIC INSURER**

Name of Domestic Insurer

BY

Name of Acquiring Person (Applicant)

Filed with the Insurance Department of

(State of domicile of insurer
being acquired)

Dated: _____, 20 ____

Name, title, address, and telephone number of individual to whom notices and correspondence concerning this statement should be addressed:

ITEM 1. METHOD OF ACQUISITION

State the name and address of the domestic insurer to which this application relates and a brief description of how control is to be acquired.

ITEM 2. IDENTITY AND BACKGROUND OF THE APPLICANT

1. State the name and address of the applicant seeking to acquire control over the insurer.
2. If the applicant is not an individual, state the nature of its business operations for the past five years or for a lesser period as the person and any predecessors thereof shall have been in existence. Briefly describe the business intended to be done by the applicant and the applicant's subsidiaries.
3. Furnish a chart or listing clearly presenting the identities of the interrelationships among the applicant and all affiliates of the applicant. Indicate in the chart or listing the percentage of voting securities of each person which is owned or controlled by the applicant or by any other person. If control of any person is maintained other than by the ownership or control of voting securities, indicate the basis of the control. As to each person specified in the chart or listing indicate the type of organization, e.g., corporation, trust, partnership, and the state or other jurisdiction of domicile. If court proceedings involving a reorganization or liquidation are pending with respect to any such person, indicate which person, and set forth the title of the court, nature of proceedings, and the date when commenced.

ITEM 3. IDENTITY AND BACKGROUND OF INDIVIDUALS ASSOCIATED WITH THE APPLICANT

On the biographical affidavit, include a third-party background check, and state the following with respect to (1) the applicant if the applicant is an individual or (2) all persons who are directors, executive officers, or owners of ten percent or more of the voting securities of the applicant if the applicant is not an individual:

1. Name and business address.
2. Present principal business activity, occupation, or employment including position and office held and the name, principal business, and address of any corporation or other organization in which the employment is carried on.
3. Material occupations, positions, offices, or employment during the last five years, giving the starting and ending dates of each and the name, principal business, and address of any business corporation or other organization in which each occupation, position, office, or employment was carried on; if any occupation, position, office, or employment required licensing by or registration, with any federal, state, or municipal governmental agency, indicate the fact, the current status of such licensing or registration, and an explanation of any surrender, revocation, suspension, or disciplinary proceedings in connection therewith.
4. Whether or not the person has ever been convicted in a criminal proceeding (excluding minor traffic violations) during the last ten years and, if so, give the date, nature of conviction, name and location of court, and penalty imposed or other disposition of the case.

ITEM 4. NATURE, SOURCE, AND AMOUNT OF CONSIDERATION

1. Describe the nature, source, and amount of funds or other considerations used or to be used in effecting the merger or other acquisition of control. If any part of the same is represented or is to be represented by funds or other consideration borrowed or otherwise obtained for the purpose of acquiring, holding, or trading securities, furnish a description of the transaction, the names of the parties thereto, the relationship, if any, between the borrower and the lender, the amounts borrowed or to be borrowed, and copies of all agreements, promissory notes, and security arrangements relating thereto.
2. Explain the criteria used in determining the nature and amount of the consideration.
3. If the source of the consideration is a loan made in the lender's ordinary course of business and if the applicant wishes the identity of the lender to remain confidential, the applicant must specifically request that the identity be kept confidential.

ITEM 5. FUTURE PLANS OF INSURER

Describe any plans or proposals which the applicant may have to declare an extraordinary dividend, to liquidate the insurer, to sell its assets to or merge it with any person or persons, or to make any other material change in its business operations or corporate structure or management.

ITEM 6. VOTING SECURITIES TO BE ACQUIRED

State the number of shares of the insurer's voting securities which the applicant, its affiliates, and any person listed in Item 3 plan to acquire, and the terms of the offer, request, invitation, agreement, or acquisition, and a statement as to the method by which the fairness of the proposal was arrived at.

ITEM 7. OWNERSHIP OF VOTING SECURITIES

State the amount of each class of any voting security of the insurer which is beneficially owned or concerning which there is a right to acquire beneficial ownership by the applicant, its affiliates, or any person listed in Item 3.

ITEM 8. CONTRACTS, ARRANGEMENTS, OR UNDERSTANDINGS WITH RESPECT TO VOTING SECURITIES OF THE INSURER

Give a full description of any contracts, arrangements, or understandings with respect to any voting security of the insurer in which the applicant, its affiliates, or any person listed in Item 3 is involved, including but not limited to transfer of any of the securities, joint ventures, loan or option arrangements, puts or calls, guarantees of loans, guarantees against loss, or guarantees of profits, division of losses or profits, or the giving or withholding of proxies. The description shall identify the persons with whom the contracts, arrangements, or understandings have been entered into.

ITEM 9. RECENT PURCHASES OF VOTING SECURITIES

Describe any purchases of any voting securities of the insurer by the applicant, its affiliates, or any person listed in Item 3 during the twelve calendar months preceding the filing of this statement. Include in the description the dates of purchase, the names of the purchasers, and the consideration paid or agreed to be paid therefor. State whether any shares so purchased are hypothecated.

ITEM 10. RECENT RECOMMENDATIONS TO PURCHASE

Describe any recommendations to purchase any voting security of the insurer made by the applicant, its affiliates, or any person listed in Item 3, or by anyone based upon interviews or at the suggestion of the applicant, its affiliates, or any person listed in Item 3 during the twelve calendar months preceding the filing of this statement.

ITEM 11. AGREEMENTS WITH BROKER-DEALERS

Describe the terms of any agreement, contract, or understanding made with any broker-dealer as to solicitation of voting securities of the insurer for tender, and the amount of any fees, commissions, or other compensation to be paid to broker-dealers with regard thereto.

ITEM 12. FINANCIAL STATEMENTS AND EXHIBITS

1. Financial statements, exhibits, and three-year financial projections of the insurers must be attached to this statement as an appendix, but list under this item the financial statements and exhibits so attached.
2. The financial statements must include the annual financial statements of the persons identified in Item 2 (c) for the preceding five fiscal years (or for a lesser period as an applicant and its affiliates and any predecessors thereof shall have been in existence), and similar information covering the period from the end of the person's last fiscal year, if the information is available. The statements may be prepared on either an individual basis, or, unless the commissioner otherwise requires, on a consolidated basis if the consolidated statements are prepared in the usual course of business.

The annual financial statements of the applicant must be accompanied by the certificate of an independent public accountant to the effect that the statements present fairly the financial position of the applicant and the results of its operations for the year then ended, in conformity with generally accepted accounting principles or with requirements of insurance or other accounting principles prescribed or permitted under law. If the applicant is an insurer which is actively engaged in the business of insurance, the financial statements need not be certified, provided they are based on the Annual Statement of the person filed with the insurance department of the person's domiciliary state and are in accordance with the requirements of insurance or other accounting principles prescribed or permitted under the law and regulations of the state.

3. File as exhibits copies of all tender offers for, requests or invitations for, tenders of, exchange offers for, and agreements to acquire or exchange any voting securities of the insurer and (if

distributed) of additional soliciting material relating thereto, any proposed employment, consultation, advisory, or management contracts concerning the insurer, annual reports to the stockholders of the insurer, and the applicant for the last two fiscal years, and any additional documents or papers required by Form A or sections 45-03-05-04 and 45-03-05-06.

ITEM 13. AGREEMENT REQUIREMENTS FOR ENTERPRISE RISK MANAGEMENT

Applicant agrees to provide, to the best of its knowledge and belief, the information required by Form F within fifteen days after the end of the month in which the acquisition of control occurs.

ITEM 14. SIGNATURE AND CERTIFICATION

Signature and certification required as follows:

SIGNATURE

Pursuant to the requirements of North Dakota Century Code Section 26.1-10-03, _____ has caused this application to be duly

Name of Applicant

signed on its behalf in the City of _____ and State of _____, on the _____ day of _____, 20__.

(SEAL)

Name of Applicant

BY: _____

(Name)

(Title)

Attest:

(Signature of officer)

(Title)

CERTIFICATION

The undersigned deposes and says that the applicant has duly executed the attached application dated _____, 20 ____, for and on behalf of _____; that the applicant is the

(Name of Applicant)

_____ of the company and that the applicant is

(Title of officer)

authorized to execute and file the instrument. Deponent further says that deponent is familiar with the instrument and the contents thereof, and that the facts therein set forth are true to the best of deponent's knowledge, information, and belief.

(Signature) _____

(Type or print name beneath) _____

FORM B

INSURANCE HOLDING COMPANY SYSTEM REGISTRATION STATEMENT

Filed with the Insurance Department of the State of _____

By

Name of Registrant

On Behalf of the Following Insurance Companies

Name

Address

_____	_____
_____	_____
_____	_____
_____	_____

Date: _____, 20 ____

Name, title, address and telephone number of individual to whom notices and correspondence concerning this statement should be addressed:

ITEM 1. IDENTITY AND CONTROL OF REGISTRANT

Furnish the exact name of each insurer registering or being registered (hereinafter called "the registrant"), the home office address and principal executive offices of each; the date on which each registrant became part of the insurance holding company system; and the methods by which control of each registrant was acquired and is maintained.

ITEM 2. ORGANIZATIONAL CHART

Furnish a chart or listing clearly presenting the identities of and interrelationships among all affiliated persons within the insurance holding company system. The chart or listing should show the percentage of each class of voting securities of each affiliate which is owned, directly or indirectly, by another affiliate. If control of any person within the system is maintained other than by the ownership or control of voting securities, indicate the basis of the control. As to each person specified in the chart or listing indicate the type of organization, e.g., corporation, trust, partnership, and the state or other jurisdiction of domicile.

ITEM 3. THE ULTIMATE CONTROLLING PERSON

As to the ultimate controlling person in the insurance holding company system furnish the following information:

1. Name.
2. Home office address.
3. Principal executive office address.
4. The organizational structure of the person, i.e., corporation, partnership, individual, trust, etc.
5. The principal business of the person.
6. The name and address of any person who holds or owns ten percent or more of any class of voting security, the class of the security, the number of shares held of record or known to be beneficially owned, and the percentage of class so held or owned.
7. If court proceedings involving a reorganization or liquidation are pending, indicate the title and location of the court, the nature of proceedings, and the date when commenced.

ITEM 4. BIOGRAPHICAL INFORMATION

If the ultimate controlling person is a corporation, an organization, a limited liability company, or other legal entity, furnish the following information for the directors and executive officers of the ultimate controlling person: the individual's name and address, the individual's principal occupation and all offices and positions held during the past five years, and any conviction of crimes other than minor traffic violations. If the ultimate controlling person is an individual, furnish the individual's name and address, principal occupation and all offices and positions held during the past five years, and any conviction of crimes other than minor traffic violations.

ITEM 5. TRANSACTIONS AND AGREEMENTS

Briefly describe the following agreements in force and transactions currently outstanding or which have occurred during the last calendar year between the registrant and its affiliates:

1. Loans, other investments, or purchases, sales, or exchanges of securities of the affiliates by the registrant or of the registrant by its affiliates;
2. Purchases, sales, or exchanges of assets;
3. Transactions not in the ordinary course of business;
4. Guarantees or undertakings for the benefit of an affiliate which result in an actual contingent exposure of the registrant's assets to liability, other than insurance contracts entered into in the ordinary course of the registrant's business;
5. All management agreements, service contracts, and all cost-sharing arrangements;
6. Reinsurance agreements;
7. Dividends and other distributions to shareholders;
8. Consolidated tax allocation agreements; and
9. Any pledge of the registrant's stock or of the stock of any subsidiary or controlling affiliate, for a loan made to any member of the insurance holding company system.

No information need be disclosed if the information is not material for purposes of North Dakota Century Code Section 26.1-10-04.

Sales, purchases, exchanges, loans, or extensions of credit, investments, or guarantees involving one-half of one percent or less of the registrant's admitted assets as of next preceding December thirty-first shall not be deemed material.

The description must be in a manner as to permit the proper evaluation thereof by the commissioner, and must include at least the following: the nature and purpose of the transaction, the nature and amounts of any payments or transfers of assets between the parties, the identity of all parties to the transaction, and relationship of the affiliated parties to the Registrant.

ITEM 6. LITIGATION OR ADMINISTRATIVE PROCEEDINGS

A brief description of any litigation or administrative proceedings of the following types, either then pending or concluded within the preceding fiscal year, to which the ultimate controlling person or any of its directors or executive officers was a party or of which the property of any such person is or was the subject; give the names of the parties and the court or agency in which the litigation or proceeding is or was pending:

1. Criminal prosecutions or administrative proceedings by any government agency or authority which may be relevant to the trustworthiness of any party thereto; and
2. Proceedings which may have a material effect upon the solvency or capital structure of the ultimate holding company including, but not necessarily limited to, bankruptcy, receivership, or other corporate reorganizations.

ITEM 7. STATEMENT REGARDING PLAN OR SERIES OF TRANSACTIONS

The insurer shall furnish a statement that transactions entered into since the filing of the prior year's annual registration statement are not part of a plan or series of like transactions, the purpose of which is to avoid statutory threshold amounts and the review that might otherwise occur.

ITEM 8. FINANCIAL STATEMENTS AND EXHIBITS

1. Financial statements and exhibits should be attached to this statement as an appendix, but list under this item the financial statements and exhibits so attached.
2. If the ultimate controlling person is a corporation, an organization, a limited liability company, or other legal entity, the financial statements must include the annual financial statements of the ultimate controlling person in the insurance holding company system as of the end of the person's latest fiscal year.

If at the time of the initial registration, the annual financial statements for the latest fiscal year are not available, annual statements for the previous fiscal year may be filed and similar financial information shall be filed for any subsequent period to the extent the information is available. The financial statements may be prepared on either an individual basis, or unless the commissioner otherwise requires, on a consolidated basis if the consolidated statements are prepared in the usual course of business.

Other than with respect to the foregoing, the financial statement must be filed in a standard form and format adopted by the National Association of Insurance Commissioners, unless an alternative form is accepted by the commissioner. Documentation and financial statements filed with the securities and exchange commission or audited generally accepted accounting principles financial statements shall be deemed to be an appropriate form and format.

Unless the commissioner otherwise permits, the annual financial statements shall be accompanied by the certificate of an independent public accountant to the effect that the statements present fairly the financial position of the ultimate controlling person and the results of its operations for the year then ended, in conformity with generally accepted

accounting principles or with requirements of insurance or other accounting principles prescribed or permitted under law. If the ultimate controlling person is an insurer which is actively engaged in the business of insurance, the annual financial statements need not be certified, provided they are based on the annual statement of the insurer's domiciliary state and are in accordance with requirements of insurance or other accounting principles prescribed or permitted under the law and regulations of the state.

Any ultimate controlling person who is an individual may file personal financial statements that are reviewed rather than audited by an independent public accountant. The review shall be conducted in accordance with standards for review of personal financial statements published in the personal financial statements guide by the American institute of certified public accountants. Personal financial statements shall be accompanied by the independent public accountant's standard review report stating that the accountant is not aware of any material modifications that should be made to the financial statements in order for the statements to be in conformity with generally accepted accounting principles.

3. Exhibits must include copies of the latest annual reports to shareholders of the ultimate controlling person and proxy material used by the ultimate controlling person; and any additional documents or papers required by Form B or North Dakota Administrative Code sections 45-03-05-04 and 45-03-05-06.

ITEM 9. FORM C REQUIRED

A Form C, Summary of Changes to Registration Statement, must be prepared and filed with this Form B.

ITEM 10. SIGNATURE AND CERTIFICATION

Signature and certification required as follows:

SIGNATURE

Pursuant to the requirements of North Dakota Century Code Section 26.1-10-04, the registrant has caused this annual registration statement to be duly signed on its behalf in the City of _____, and State of _____ on the _____ day of _____, 20 ____.

(SEAL)

(Name of registrant)

By: _____
(Name) (Title)

Attest:

(Signature of officer)

(Title)

CERTIFICATION

The undersigned deposes and says that the undersigned has duly executed the attached annual registration statement dated _____, 20 ____,

for and on behalf of _____; that the

(Name of company)

undersigned is the _____ of the company, and that

(Title of officer)

the undersigned has authority to execute and file the instrument. The deponent further says that deponent is familiar with the instrument and the contents thereof, and that the facts therein set forth are true to the best of deponent's knowledge, information, and belief.

(Signature) _____

(Type or print name beneath) _____

FORM C
SUMMARY OF CHANGES TO REGISTRATION STATEMENT

Filed with the Insurance Department of the State of _____

BY

Name of Registrant

On Behalf of the Following Insurance Companies

Name

Address

Date: _____, 20____

Name, title, address, and telephone number of individual to whom notices and correspondence concerning this statement should be addressed:

Furnish a brief description of all items in the current annual registration statement which represent changes from the prior year's registration statement. The description shall be in a manner as to permit the proper evaluation thereof by the commissioner, and shall include specific references to item numbers in the annual registration statement and to the terms contained therein.

Changes occurring under Item 2 of Form B insofar as changes in the percentage of each class of voting securities held by each affiliate is concerned, need only be included where the changes are ones which result in ownership or holdings of ten percent or more of voting securities, loss or transfer of control, or acquisition or loss of partnership interest.

Changes occurring under Item 4 of Form B need only be included where an individual is, for the first time, made a director or executive officer of the ultimate controlling person; a director or executive officer terminates his or her responsibilities with the ultimate controlling person; or in the event an individual is named president of the ultimate controlling person.

If a transaction disclosed on the prior year's registration statement has been changed, the nature of the change shall be included. If a transaction disclosed on the prior year's annual registration statement has been effectuated, furnish the mode of completion and any flow of funds between affiliates resulting from the transaction.

The insurer shall furnish a statement that transactions entered into since the filing of the prior year's annual registration statement are not part of a plan or series of like transactions whose purpose it is to avoid statutory threshold amounts and the review that might otherwise occur.

SIGNATURE AND CERTIFICATION

Signature and certification required as follows:

SIGNATURE

Pursuant to the requirements of North Dakota Century Code Section 26.1-10-04, the registrant has caused this annual registration statement to be duly signed on its behalf in the City of _____ and State of _____ on the _____ day of _____, 20 ____.

(SEAL)

(Name of Applicant)

By: _____
(Name) (Title)

Attest:

(Signature of officer)

(Title)

CERTIFICATION

The undersigned deposes and says that the deponent has duly executed the attached annual registration statement dated _____, 20____, for and on behalf of _____; that the deponent is the

(Name of company)

_____ of the company;
(Title of officer)

and that the deponent is authorized to execute and file the instrument. Deponent further says that deponent is familiar with the instrument and the contents thereof, and that the facts therein set forth are true to the best of deponent's knowledge, information, and belief.

(Signature) _____

(Type or print name beneath) _____

**FORM D
PRIOR NOTICE OF A TRANSACTION**

Filed with the Insurance Department of the State of _____

BY

Name of Registrant

On Behalf of the Following Insurance Companies

Name

Address

Date: _____, 20____

Name, title, address, and telephone number of individual to whom notices and correspondence concerning this statement should be addressed:

ITEM 1. IDENTITY OF PARTIES TO TRANSACTION

Furnish the following information for each of the parties to the transaction:

1. Name.
2. Home office address.
3. Principal executive office address.
4. The organizational structure, i.e., corporation, partnership, individual, trust, etc.
5. A description of the nature of the parties' business operations.
6. Relationship, if any, of other parties to the transaction to the insurer filing the notice, including any ownership or debtor/creditor interest by any other parties to the transaction in the insurer seeking approval, or by the insurer filing the notice in the affiliated parties.
7. Where the transaction is with a nonaffiliate, the names of the affiliates which will receive, in whole or in substantial part, the proceeds of the transaction.

ITEM 2. DESCRIPTION OF THE TRANSACTION

Furnish the following information for each transaction for which notice is being given:

1. A statement as to whether notice is being given under subdivision a, b, c, d, or e of subsection 2 of North Dakota Century Code Section 26.1-10-05;
2. A statement of the nature of the transaction;
3. A statement of how the transaction meets the fair and reasonable standards of subdivision a of subsection 1 of North Dakota Century Code Section 26.1-10-05; and
4. The proposed effective date of the transaction.

ITEM 3. SALES, PURCHASES, EXCHANGES, LOANS, EXTENSIONS OF CREDIT, GUARANTEES, OR INVESTMENTS

Furnish a brief description of the amount and source of funds, securities, property, or other consideration for the sale, purchase, exchange, loan, extension of credit, guarantee, or investment, whether any provision exists for purchase by the insurer filing notice, by any party to the transaction, or by any affiliate of the insurer filing notice, a description of the terms of any securities being received, if any, and a description of any other agreements relating to the transaction such as contracts or agreements for services, consulting agreements, and the like. If the transaction involves other than cash, furnish a description of the consideration, its cost, and its fair market value, together with an explanation of the basis for evaluation.

If the transaction involves a loan, extension of credit, or a guarantee, furnish a description of the maximum amount which the insurer will be obligated to make available under the loan, extension of credit or guarantee, the date on which the credit or guarantee will terminate, and any provisions for the accrual of or deferral of interest.

If the transaction involves an investment, guarantee, or other arrangement, state the time period during which the investment, guarantee, or other arrangement will remain in effect, together with any provisions for extensions or renewals of the investments, guarantees, or arrangements. Furnish a brief statement as to the effect of the transaction upon the insurer's surplus.

No notice need be given if the maximum amount which can at any time be outstanding or for which the insurer can be legally obligated under the loan, extension of credit, or guarantee is less than: (a) in the case of nonlife insurers, the lesser of three percent of the insurer's admitted assets or twenty-five percent of surplus as regards policyholders, or (b) in the case of life insurers, three percent of the insurer's admitted assets, each as of the next preceding December thirty-first.

ITEM 4. LOANS OR EXTENSIONS OF CREDIT TO A NONAFFILIATE

If the transaction involves a loan or extension of credit to any person who is not an affiliate, furnish a brief description of the agreement or understanding whereby the proceeds of the proposed transaction, in whole or in substantial part, are to be used to make loans or extensions of credit to, to purchase the assets of, or to make investments in, any affiliate of the insurer making the loans or extensions of credit, and specify in what manner the proceeds are to be used to loan to, extend credit to, purchase assets of or make investments in any affiliate. Describe the amount and source of funds, securities, property, or other consideration for the loan or extension of credit and, if the transaction is one involving consideration other than cash, a description of its cost, and its fair market value together with an explanation of the basis for evaluation. Furnish a brief statement as to the effect of the transaction upon the insurer's surplus.

No notice need be given if the loan or extension of credit is one which equals less than, in the case of nonlife insurers, the lesser of three percent of the insurer's admitted assets or twenty-five percent of surplus as regards policyholders or, with respect to life insurers, three percent of the insurer's admitted assets, each as of the next preceding December thirty-first.

ITEM 5. REINSURANCE

If the transaction is a reinsurance agreement or modification thereto, as described by paragraph 2 of subdivision c of subsection 2 of North Dakota Century Code Section 26.1-10-05, or a reinsurance pooling agreement or modification thereto as described by paragraph 1 of subdivision c of subsection 2 of North Dakota Century Code Section 26.1-10-05, furnish a description of the known or estimated amount of liability to be ceded or assumed in each calendar year, the period of time during which the agreement will be in effect, and a statement whether an agreement or understanding exists between the insurer and nonaffiliate to the effect that any portion of the assets constituting the consideration for the agreement will be transferred to one or more of the insurer's affiliates. Furnish a brief description of the consideration involved in the transaction, and a brief statement as to the effect of the transaction upon the insurer's surplus.

No notice need be given for reinsurance agreements or modifications thereto if the reinsurance premium or a change in the insurer's liabilities, or the projected reinsurance premium or change in the insurer's liabilities in any of the next three years, in connection with the reinsurance agreement or modification thereto is less than five percent of the insurer's surplus as regards policyholders, as of the next preceding December thirty-first. Notice shall be given for all reinsurance pooling agreements including modifications thereto.

ITEM 6. MANAGEMENT AGREEMENTS, SERVICE AGREEMENTS, AND COST-SHARING ARRANGEMENTS

For management and service agreements, furnish:

1. A brief description of the managerial responsibilities or services to be performed.
2. A brief description of the agreement, including a statement of its duration, together with brief descriptions of the basis for compensation and the terms under which payment or compensation is to be made.

For cost-sharing arrangements, furnish:

1. A brief description of the purpose of the agreement.
2. A description of the period of time during which the agreement is to be in effect.
3. A brief description of each party's expenses or costs covered by the agreement.
4. A brief description of the accounting basis to be used in calculating each party's costs under the agreement.
5. A brief statement as to the effect of the transaction upon the insurer's policyholder surplus.
6. A statement regarding the cost allocation methods that specifies whether proposed charges are based on cost or market. If market based, rationale for using market instead of cost, including justification for the company's determination that amounts are fair and reasonable.
7. A statement regarding compliance with the National Association of Insurance Commissioners Accounting Practices and Procedure Manual regarding expense allocation.

ITEM 7. SIGNATURE AND CERTIFICATION

Signature and certification required as follows:

SIGNATURE

Pursuant to the requirements of North Dakota Century Code Section 26.1-10-05, _____ has caused this application to be duly signed on its behalf in the City of _____ and State of _____ on the _____ day of _____, 20 ____.

(SEAL)

(Name of Applicant)

By: _____

(Name)

(Title)

Attest:

(Signature of officer)

(Title)

CERTIFICATION

The undersigned deposes and says that the deponent has duly executed the attached application dated _____, 20 ____, for and on behalf of _____; that the deponent is the _____ of the

(Name of Applicant)

(Title of officer)

company and that the deponent is authorized to execute and file the instrument. Deponent further says that deponent is familiar with the instrument and the contents thereof, and that the facts therein set forth are true to the best of deponent's knowledge, information, and belief.

(Signature) _____

(Type or print name beneath) _____

FORM E
PRE-ACQUISITION NOTIFICATION FORM REGARDING THE POTENTIAL COMPETITIVE IMPACT
OF A PROPOSED MERGER OR ACQUISITION BY A NON-DOMICILIARY INSURER DOING
BUSINESS IN THIS STATE OR BY A DOMESTIC INSURER

Name of Applicant

Name of Other Person Involved in Merger or Acquisition

Filed with the Insurance Department of

Dated: _____, 20 ____

Name, title, address, and telephone number of person completing this statement:

ITEM 1. NAME AND ADDRESS

State the names and addresses of the persons who hereby provide notice of their involvement in a pending acquisition or change in corporate control.

ITEM 2. NAME AND ADDRESSES OF AFFILIATED COMPANIES

State the names and addresses of the persons affiliated with those listed in Item 1. Describe their affiliations.

ITEM 3. NATURE AND PURPOSE OF THE PROPOSED MERGER OR ACQUISITION

State the nature and purpose of the proposed merger or acquisition.

ITEM 4. NATURE OF BUSINESS

State the nature of the business performed by each of the persons identified in response to Item 1 and Item 2.

ITEM 5. MARKET AND MARKET SHARE

State specifically what market and market share in each relevant insurance market the persons identified in Item 1 and Item 2 currently enjoy in this state. Provide historical market and market share data for each person identified in Item 1 and Item 2 for the past five years and identify the source of the data. Provide a determination as to whether the proposed acquisition or merger, if consummated, would violate the competitive standards of the state as stated in subsection 4 of North Dakota Century Code Section 26.1-10-03.1. If the proposed acquisition or merger would violate competitive standards, provide justification of why the acquisition or merger would not substantially lessen competition or create a monopoly in the state.

For purposes of this question, market means direct written insurance premium in this state for a line of business as contained in the annual statement required to be filed by insurers licensed to do business in this state.

**FORM F
ENTERPRISE RISK REPORT**

Filed with the Insurance Department of the State of _____

BY

Name of Registrant/Applicant

On Behalf of the Following Insurance Companies

Name

Address

Date: _____, 20____

Name, title, address, and telephone number of individual to whom notices and correspondence concerning this statement should be addressed:

ITEM 1. ENTERPRISE RISK

The Registrant/Applicant, to the best of its knowledge and belief, shall provide information regarding the following areas that could produce enterprise risk as defined in subsection 3 of North Dakota Century Code Section 26.1-10-01, provided the information is not disclosed in the Insurance Holding Company System Annual Registration Statement filed on behalf of itself or another insurer for which it is the ultimate controlling person:

- Any material developments regarding strategy, internal audit findings, compliance or risk management affecting the insurance holding company system;
- Acquisition or disposal of insurance entities and reallocating of existing financial or insurance entities within the insurance holding company system;
- Any changes of shareholders of the insurance holding company system exceeding 10 percent or more of voting securities;
- Developments in various investigations, regulatory activities, or litigation that may have a significant bearing or impact on the insurance holding company system;
- Business plan of the insurance holding company system and summarized strategies for next 12 months;
- Identification of material concerns of the insurance holding company system raised by supervisory college, if any, in last year;

- Identification of insurance holding company system capital resources and material distribution patterns;
- Identification of any negative movement, or discussions with rating agencies which may have caused, or may cause, potential negative movement in the credit ratings and individual insurer financial strength ratings assessment of the insurance holding company system (including both the rating score and outlook);
- Information on corporate or parental guarantees throughout the holding company and the expected source of liquidity should the guarantees be called upon; and
- Identification of any material activity or development of the insurance holding company system that, in the opinion of senior management could adversely affect the insurance holding company system.

The Registrant/Applicant may attach the appropriate form most recently filed with the United States Securities and Exchange Commission, provided the Registrant/Applicant includes specific references to those areas listed in Item 1 for which the form provides responsive information. If the Registrant/Applicant is not domiciled in the United States, it may attach its most recent public audited financial statement filed in its country of domicile, provided the Registrant/Applicant includes specific references to those areas listed in Item 1 for which the financial statement provides responsive information.

ITEM 2. OBLIGATION TO REPORT

If the Registrant/Applicant has not disclosed any information pursuant to Item 1, the Registrant/Applicant shall include a statement affirming that, to the best of its knowledge and belief, it has not identified enterprise risk subject to disclosure pursuant to Item 1.

CHAPTER 45-03-20 ANNUAL FINANCIAL REPORTING MODEL REGULATION

45-03-20-12. Definition, availability, and maintenance of independent certified public accountant workpapers.

1. Workpapers are the records kept by the independent certified public accountant of the procedures followed, the tests performed, the information obtained, and the conclusions reached pertinent to the independent certified public accountant's audit of the financial statements of an insurer. Workpapers, accordingly, may include audit planning documentation, work programs, analyses, memoranda, letters of confirmation and representation, abstracts of company documents, and schedules or commentaries prepared or obtained by the independent certified public accountant in the course of the accountant's audit of the financial statements of an insurer and which support the accountant's opinion thereof.
2. Every insurer required to file an audited financial report under this chapter, shall require the accountant to make available for review by insurance department examiners, all workpapers prepared in the conduct of the accountant's audit and any communications related to the audit between the accountant and the insurer, at the offices of the insurer, at the insurance department, or at any other reasonable place designated by the commissioner. The insurer shall require that the accountant retain the audit workpapers and communications until the insurance department has filed a report on examination covering the period of the audit but no longer than seven years from the date of the audit report.
3. In the conduct of the aforementioned periodic review by the insurance department examiners, ~~it must be agreed that photocopies of pertinent audit workpapers may be made and retained by the department.~~ the department may obtain copies of workpapers and may retain the copies. If copies of work papers are requested in electronic format, the electronic copies must be as fully functional as the original documents. Password protection of the storage medium used to transmit electronic work papers is acceptable in order to securely transfer electronic workpapers to the commissioner. Passwords on individual electronic workpapers, or passwords that disable features of individual electronic workpapers, are not permitted. Such reviews by the department examiners must be considered investigations and all working papers and communications obtained during the course of the investigations must be afforded the same confidentiality as other examination workpapers generated by the department.

History: Effective October 1, 1995; amended effective April 1, 2010, July 1, 2026.

General Authority: NDCC 28-32-02

Law Implemented: NDCC 26.1-03-07, 26.1-03-11.1

ARTICLE 45-09
REGULATION OF UNAUTHORIZED INSURERS AND INSURANCE

Chapter

45-09-01 Surplus Lines Insurance

CHAPTER 45-09-01
SURPLUS LINES INSURANCE

Section

45-09-01-01 Definitions
45-09-01-02 Surplus Lines Insurance Producer Application
45-09-01-03 Surplus Lines Insurance Producer Must Conduct Search
45-09-01-04 ~~Presumption - Diligent Search~~
45-09-01-05 Other Acceptable Lines of Coverage
45-09-01-06 Surplus Lines Affidavit - Time for Filing [Repealed]
45-09-01-07 Surplus Lines Affidavit - Limits on Availability [Repealed]
45-09-01-08 Additional Policy Endorsement Requirement [Repealed]
45-09-01-09 Statement of Taxable Premiums [Repealed]

45-09-01-01. Definitions.

Unless otherwise defined, or made inappropriate by context, all words used in this chapter have meanings given to them under North Dakota Century Code chapters 26.1-02, 26.1-26, and 26.1-44.

History: Effective January 1, 1982.

General Authority: NDCC 26.1-44-09

Law Implemented: NDCC 26.1-44

45-09-01-02. Surplus lines insurance producer application.

The insurance commissioner will not issue a resident surplus lines insurance producer's license until the applicant has met the requirements of North Dakota Century Code section 26.1-26-17, has completed and filed with the commissioner a completed application for a surplus lines insurance producer license, and paid the license fee. An applicant for a nonresident surplus lines insurance producer license must hold an active resident surplus lines insurance producer license in the applicant's home state and must complete and file with the commissioner an application for a nonresident surplus lines insurance producer license and pay the license fee.

History: Effective January 1, 1982; amended effective December 1, 2001; January 1, 2008; July 1, 2012.

General Authority: NDCC 26.1-26-49, 26.1-44-09

Law Implemented: NDCC 26.1-26-17, 26.1-26-20

~~**45-09-01-03. Surplus lines insurance producer must conduct search.**~~

~~The licensed surplus lines insurance producer seeking the placement of nonadmitted insurance must conduct a diligent search to ascertain whether the insurance, indemnity contract, or surety bond can be procured from a company authorized to do business in this state. The surplus lines insurance producer may rely on a diligent search done by a licensed insurance producer or the insured if the surplus lines insurance producer deems it sufficient.~~

~~**History:** Effective January 1, 1982; amended effective December 1, 2001; July 1, 2012; April 1, 2021; January 1, 2024.~~

~~**General Authority:** NDCC 26.1-44-09~~

~~**Law Implemented:** NDCC 26.1-44-02~~

~~**Repealed effective July 1, 2026.**~~

45-09-01-04. Presumption - Diligent search.

A presumption ~~that a diligent search has been made~~ and that the insurance producer was unable to procure the insurance, indemnity contract, or surety bond desired from a company authorized to do business in this state is created when the insurance, contract, or bond is written in one of the categories set out in Appendix I.

History: Effective January 1, 1982; amended effective December 1, 2001; January 1, 2008; July 1, 2012; July 1, 2026.

General Authority: NDCC 26.1-44-09

Law Implemented: NDCC 26.1-44-02

45-09-01-05. Other acceptable lines of coverage.

The categories designated in Appendix I are not to be considered as the only lines of coverage in which unauthorized insurers may be used. Other categories of coverage not listed may be acceptable because of special underwriting considerations, i.e., losses, high exposure, etc. Any exceptions must be fully explained on the surplus lines report of placement.

The securing of advantage as to lower premium rates or as to the terms of the insurance contract do not constitute justification nor are they special underwriting considerations sufficient to allow the surplus lines broker to use an unauthorized company nor lines of coverage other than those designated in Appendix I.

History: Effective January 1, 1982; amended effective December 1, 2001; January 1, 2008; July 1, 2012.

General Authority: NDCC 26.1-44-09

Law Implemented: NDCC 26.1-44-02

45-09-01-06. Surplus lines affidavit - Time for filing.

Repealed effective July 1, 2012.

45-09-01-07. Surplus lines affidavit - Limits on availability.

Repealed effective July 1, 2012.

45-09-01-08. Additional policy endorsement requirement.

Repealed effective July 1, 2012.

45-09-01-09. Statement of taxable premiums.

Repealed effective July 1, 2012.

APPENDIX I

Categories of Acceptable Surplus Lines Coverage

The following categories of surplus lines coverage are not the only lines which may be written in North Dakota. Other lines of coverage not on this list may be acceptable because of special underwriting considerations. Any exceptions must be fully explained on the surplus lines report of placement.

If the coverage written is in an approved category, there is a presumption that ~~after diligent search the insurance~~, each insurer is an eligible surplus lines insurer and that each insurer is authorized to write the kind of insurance, indemnity contract, or surety bond, in its domiciliary jurisdiction, and cannot be procured from a company authorized to do business in this state.

These categories may be changed from time to time at the discretion of the insurance commissioner subject to provisions of North Dakota Century Code chapter 28-32, the Administrative Agencies Practice Act.

1. Fiduciary liability.
2. Commercial cyber insurance (inclusive of first-party and/or third-party commercial cyber insurance coverage).
3. Professional liability (E & O) except for hospitals.
4. Directors and officers.
5. Ocean marine cargo, liability and hull.
6. Hazardous cargo and short-term trip transit.
7. Bridges (large).
8. Heavy woodworking property (unprotected, high-value sawmills).
9. Product liability (hazardous).
10. Ski lifts and tows' liability.
11. Fireworks, ammunition, fuse, cartridges, power, nitroglycerine, explosive gases.
12. Environmental impairment - pollution.
13. Kidnap ransom.
14. Oil and gas liability and marine.
15. Livestock mortality (high values and unusual).
16. Short tail (hole-in-one, 300 bowling score, etc.).
17. Large utilities (generation, transmission).
18. Building demolition and moving.
19. Mono line liquor legal liability.
20. Surcharged fire and allied lines excluding uncontrolled marine.
21. High-value substandard private passenger automobile.

22. Commercial automobile physical damage coverage in excess of rating organizations' filed rates.
23. Any excess liability coverages.
24. Day care liability insurance coverages.

History: Amended effective February 1, 1983; November 1, 1987; December 1, 2001; January 1, 2008; July 1, 2012; January 1, 2024, July 1, 2026.

General Authority: NDCC 26.1-44-09

Law Implemented: NDCC 26.1-44-02

**ARTICLE 45-13
LINES OF INSURANCE**

Chapter
45-13-01 Lines of Insurance

**CHAPTER 45-13-01
LINES OF INSURANCE**

Section

45-13-01-01 Lines of Insurance
45-13-01-02 Product Types - Definition
45-13-01-03 Products Relating to More Than One Line of Insurance - Combination Products
45-13-01-04 Prepaid Legal Service

45-13-01-01. Lines of insurance.

An insurance company or an insurance agent may apply to engage in insurance activities in one or more of the following lines of insurance:

1. Life ~~and annuity~~.
2. Accident and health or sickness.
3. Property.
4. Casualty.
5. Variable life and Variable annuity.

History: Effective January 1, 2000; amended effective July 1, 2026.

General Authority: NDCC 28-32-02

Law Implemented: NDCC 26.1-05-02, 26.1-12-11, 26.1-26-11

45-13-01-02. Product types - Definition.

Each line of insurance is defined to include the following products:

1. Life ~~and annuity~~ includes:

Annuity/institutional investment	Equity/interest indexed annuity
Credit life	Equity/interest indexed universal life
Deferred annuity	Structured settlement annuity
Endowment	Term life

Guaranteed investment
contract/pension plan
Immediate annuity

Universal life
Whole life

and similar products relating to life and annuity matters.

2. Accident and health or sickness includes:

Accident	Hospital indemnity
Accidental death	Hospital and surgical
Accidental death and dismemberment	Intensive care
Cancer	Involuntary unemployment
Civilian health and medical program of the uniformed services supplement	Long-term care
Credit disability	Major medical
Critical illness	Managed care/excess loss
Dental	Medical expense
Disability income	Medicare supplement
Excess loss	Nursing home
Family leave	Organ and tissue transplant
Human immunodeficiency virus Indemnity	Prescription drug
Home health care	Specified disease
	Sickness
	Stop-loss medical
	Surgical expense
	Vision

and similar products relating to accident and health or sickness matters.

3. Property includes:

Aircraft cargo	Earthquake
Aircraft hull	Extended coverages
Allied lines	Fire
Auto commercial physical damage	Fire and allied lines
Auto private passenger physical damage	Flood
Baggage	Force placed
Boiler and machinery	Glass
Burglary and robbery	Lenders collateral

Business income	Livestock
Cargo	Money and securities
Commercial inland marine	Marine cargo
Commercial multi-peril	Marine hull
Commercial property	Mortgage guarantee
Credit	Multi-peril crop
Credit card	Ocean marine
Credit property	Personal floater
Crime	Personal inland marine
<u>Crop/Crop hail</u>	Pet
Crop hail	Rain
Crop supplements	Theft
Difference in conditions	Vandalism
Dwelling	Vendors single interest

and similar products relating to property matters.

4. Casualty includes:

Aircraft liability	Medical malpractice
Asbestos abatement	Mechanical breakdown
Auto commercial liability	<u>Mortgage guarantee</u>
Auto private passenger liability	Personal excess liability
Auto warranty contract	Personal umbrella liability
Bail bonds	Personal liability
Bonds	Pollution liability
Commercial excess liability	Premises and operations
Commercial general liability	Prepaid legal service
Commercial umbrella liability	Product liability
Contractual liability	Product recall
Directors and officers	Products and completed operations
Design professional	Professional liability
Employers liability	Owners and contractors
Environmental impairment	Railroad protective
Errors and omissions	Ransom and extortion
Fidelity bonds	Stop gap
Fidelity insurance	Stop-loss liability
Home warranty	Surety

Legal expense	Title
Legal malpractice	Vehicle service contracts
Liquor and dram shop liability	Workers' compensation

and similar products relating to casualty matters.

5. Variable life and variable annuity includes:

- Variable deferred annuity
- Variable immediate annuity
- Variable group annuity/pension plan
- Variable life and similar products relating to variable life and variable annuity matters.

History: Effective January 1, 2000; amended effective October 1, 2019; July 1, 2026.

General Authority: NDCC 28-32-02

Law Implemented: NDCC 26.1-05-02.1

45-13-01-03. Products relating to more than one line of insurance - Combination products.

Certain insurance products may involve two or more lines of insurance. A company marketing a combination product must carry authorization for each of the respective lines of insurance. Products involving a combination of property and casualty lines of insurance include aircraft, auto commercial, auto private passenger, boat owners, business owners, condominium owners, farm owners, garage keepers, homeowners, mobile homeowners, special multi-peril, commercial multi-peril package, and tenants. Products involving a combination of life and annuity, and accident and health or sickness lines of insurance include multi-line credit, multi-line life and accident and health, and multi-line association and employer. Products involving a combination of property and casualty, and accident and health or sickness lines of insurance include multi-line association and employer, travel, and multi-line credit.

History: Effective January 1, 2000, amended effective July 1, 2026.

General Authority: NDCC 28-32-02

Law Implemented: NDCC 26.1-05-02.1, 26.1-12-11.1, 26.1-26-11.1

CHAPTER 45-16-01 LIFE SETTLEMENT LICENSES

Section	
45-16-01-01	Definitions
45-16-01-02	Provider License Fees - Due Date
45-16-01-03	Broker License Fees - Due Date
45-16-01-04	Training Requirement - Penalty
45-16-01-05	Consumer Guide

45-16-01-01. Definitions.

Unless otherwise defined, or made inappropriate by context, all words used in this chapter have meaning as given them under North Dakota Century Code chapter 26.1-33.4.

History: Effective April 1, 2010.

General Authority: NDCC 26.1-33.4-11

Law Implemented: NDCC 26.1-33.4-01

45-16-01-02. Provider license fees - Due Date.

~~The fee to submit a provider application a fee pursuant to North Dakota Century Code section 26.1-01-07 is owed. is two hundred fifty dollars. The fee To renew a provider license a fee pursuant to North Dakota Century Code section 26.1-01-07 is owed. is one hundred dollars. The renewal fee is due each year on or before April thirtieth. on the anniversary date of issuance of the provider license.~~ If the renewal fee is not paid on or before ~~the anniversary date~~ April thirtieth, the provider license is automatically revoked.

History: Effective April 1, 2010, amended effective July 1, 2026.

General Authority: NDCC 26.1-33.4-11

Law Implemented: NDCC 26.1-33.4-02

45-16-01-03. Broker license fees - Due date.

~~The fee to submit a broker application a fee pursuant to North Dakota Century Code section 26.1-01-07 is owed. is one hundred dollars. A life insurance producer deemed to meet the licensing requirements of North Dakota Century Code section 26.1-33.4-02 must pay an initial broker license fee pursuant to North Dakota Century Code section 26.1-01-07. of one hundred dollars. The fee To renew a broker license is twelve dollars a fee pursuant to North Dakota Century Code section 26.1-01-07 is owed. The renewal fee is due on the anniversary date of issuance of the broker license April thirtieth. If the renewal fee is not paid on or before the anniversary date April thirtieth, the broker license is automatically revoked.~~

History: Effective April 1, 2010 amended effective July 1, 2026.

General Authority: NDCC 26.1-33.4-11

Law Implemented: NDCC 26.1-33.4-02

45-16-01-04. Training requirement - Penalty.

An individual licensed as a broker must submit proof of completion of no less than fifteen hours of training related to life settlement and life settlement transactions. The proof must be submitted to the commissioner on or before the anniversary date of issuance of the broker license beginning on the second anniversary of issuance of the license and every two years thereafter. If the proof is not submitted on or before the due date, the individual broker license will not be renewed. A life insurance producer who is licensed and operating as a broker is not subject to these training requirements.

History: Effective April 1, 2010.

General Authority: NDCC 26.1-33.4-11

Law Implemented: NDCC 26.1-33.4-02

45-16-01-05. Consumer guide.

A provider shall prepare a buyer's guide or similar consumer advisory package for delivery to owners during the solicitation process. The buyer's guide or similar consumer advisory package must substantially comply with the commissioner's model guide.

History: Effective April 1, 2010.

General Authority: NDCC 26.1-33.4-11

Law Implemented: NDCC 26.1-33.4-08

**ARTICLE 45-18
FIRE MARSHAL**

Chapter
45-18-01 Fire Prevention

**CHAPTER 45-18-01
FIRE PREVENTION**

Section
45-18-01-01 Fire Prevention Rules - Intent
45-18-01-02 Fire Prevention Rules - Scope
45-18-01-03 Definitions
45-18-01-04 Fire Prevention Rules
45-18-01-05 Availability of Standards

45-18-01-01. Fire prevention rules - Intent.

It is the intent of this chapter to prescribe regulations consistent with nationally recognized good practice for the safeguarding of life and property from the hazards of fire and explosions.

History: Effective January 1, 2024.

General Authority: NDCC 18-01-04

Law Implemented: NDCC 18-01-02

45-18-01-02. Fire prevention rules - Scope.

1. This chapter supplements all laws defined within the North Dakota Century Code relating to fire safety and applies to all persons without restrictions, unless specifically exempted.
2. This chapter applies to existing conditions, as well as to conditions arising after the adoption of this chapter, except that conditions legally in existence at the time of adoption of this chapter and, not in strict compliance with this chapter, shall be permitted to continue only if, in the opinion of the state fire marshal, they do not constitute a distinct hazard to life or property.
3. Where there is a conflict between this chapter and those provisions of the North Dakota Century Code, the provisions of the North Dakota Century Code shall prevail.

History: Effective January 1, 2024.

General Authority: NDCC 18-01-04, 18-01-33

Law Implemented: NDCC 18-01-02

45-18-01-03. Definitions.

The following definitions shall be used when referred to in the content of this chapter:

1. "Authority having jurisdiction", "bureau of fire prevention", "chief", "chief of the fire department", "chief of the fire prevention bureau", "fire chief", "fire code official", "fire department", "fire marshal", "fire marshal's office", "fire prevention bureau", "fire prevention engineer", "fire prevention inspector", "fire protection engineer", "inspector", or "office of the fire marshal" refers to the state fire marshal or any representative of the state fire marshal's office.
2. "City" or "jurisdiction" refers to the state of North Dakota.
3. "Fire prevention code", "fire prevention rules", or "state fire code" refers to the rules provided for within this chapter.

4. "Local jurisdiction" refers to any agency of local or state government which has a defined responsibility for any population, group of persons, land area, occupancy type, class of persons, or municipality located within this state which is less than the entire land area, population or geographical makeup of this state.

History: Effective January 1, 2024.

General Authority: NDCC 18-01-04, 18-01-33

Law Implemented: NDCC 18-01-04, 18-01-33

45-18-01-04. Fire prevention rules.

The fire prevention rules for this state include the following:

Fire code. The State Fire Code includes:

1. The provisions of the State Building Code, effective January 1, ~~2023~~ 2026, providing for fire-safe construction and operation, as provided for in North Dakota Century Code section 54-21.3-03.
2. The provisions of the International Fire Code (IFC), ~~2024~~ 2024 edition International Code Council (ICC), with the following exceptions and modifications:
 - a. Chapter 1. Scope and administration.

101.1 Title. The words "[NAME OF JURISDICTION]" are replaced with "North Dakota".

102.4 Application of building code. Insert "as amended by the State of North Dakota" after the words "International Building Code" in both instances.

103.1 Creation of agency. The words "[INSERT NAME OF DEPARTMENT]" is replaced with "North Dakota fire marshals division".

104.8 Liability. Any suit instituted against an officer or employee because of an act or omission performed by that officer or employee in the lawful discharge of duties and under the provisions of this code shall be afforded all the protection provided by the city's insurance pool and immunities and defenses provided by other applicable state and federal laws and shall be defended by legal representative of the jurisdiction until the final termination of the proceedings. The building official or any subordinate shall not be liable for cost in any action, suit or proceeding that is instituted in pursuance of the provisions of this code. This code shall not be construed to relieve from or lessen the responsibility of any person owning, operating, or controlling any building or structure for any damages to persons or property caused by defects nor shall the code enforcement agency or the city be held as assuming any such liability by reason of the inspection authorized by this code or any permits or certificates issued under this code.

105.1.1 Permits required. The words "obtain the required permit" are replaced with "may be required to obtain a permit".

106.4 Retention of construction documents. Remove the words "One set of approved construction documents shall be returned to the applicant, and said set shall be kept on the site of the building or work at all times during which the work authorized thereby is in progress."

~~112.4 Violation penalties.~~ Administration. Does not apply.

113.4 Violation penalties. Does not apply.

b. Chapter 2. Definitions.

Commercial motor vehicle. Commercial motor vehicle is amended to read as follows: "Refer to North Dakota Century Code section 39-06.2-02 for commercial motor vehicle definition."

Fireworks. Fireworks is amended to read as follows: "Refer to North Dakota Century Code chapter 23-15 for the fireworks definition."

Residential child care building. For the purposes of child care fire safety inspections, a residential child care building is defined as a maximum of 30 children in a building designed for residential purposes (i.e. single family dwelling, single apartment, etc.).

Commercial child care or preschool building. For the purposes of child care fire safety inspections, a commercial child care or preschool building is defined as any building licensed for over 30 children, or any building designed for commercial purpose regardless of the number of occupants.

c. Chapter 3. General requirements.

304.1.1 Valet trash. The word "not" shall be inserted between "shall" and "be". The words "only where approved. The owner and valet trash collection service provider shall comply with the rules and limitations established by the jurisdiction" are hereby removed. The words "Trash and recycling materials shall not be placed in the corridor of Group R occupancies" are inserted after the word "permitted".

~~**308.1.4 Open flame cooking devices.** Insert "or decks" after the word "balconies".~~

~~**Exception 3.** The words "2 ½ pounds [nominal 1 pound (0.454 kg)]" is replaced with "47.8 pounds [nominal 20 pounds (9 kg)]."~~

~~**308.1.6.3 308.1.7 Sky lanterns.** Does not apply.~~

308.3 Group A occupancies. Exception 1. The following is added: "1.4 Open-flame devices for food warming."

314.4 Vehicles. Insert "Batteries may remain connected if keys are not in ignition system." immediately after subsection 1's "safety features." as a subsection a. Delete "Fuel in fuel tanks does not exceed one-quarter tank or 5 gallons (19 L) (whichever is least)" and renumber accordingly.

d. Chapter 5. Fire service features.

510.1 Emergency responder radio coverage in new buildings. In the first sentence, replace "New" with "Where required by the fire code official, new".

e. Chapter 8. Interior finishes.

806.1.1 Restricted occupancies. Insert the following exception:

"3. For purposes of this provision, churches shall not be deemed public buildings and may utilize natural or resin-bearing cut trees in the alter area of the church. No electric lighting is allowed on the tree."

f. Chapter 9. Fire protection and life safety systems.

903.2.8 Group R. The following exception is added: after "fire area." add "Exception: Sprinklers are not required in single family dwellings or residential buildings that contain no more than two dwelling units and no higher risk occupancy within the same building."

903.3.1.1.1 Exempt locations is amended by adding the following exception:

"7. Elevator machine room and machinery spaces. Where sprinklers are not installed in elevator machine rooms, shunt trip required in accordance with IBC 3005.5 shall not be installed."

903.3.5 Water supplies. After the words "fire code official." add "Underground water supply piping shall be constructed of a material allowed by the North Dakota State Plumbing Code and shall be allowed to extend into the building through the slab or wall not more than 24 inches."

905.1.1 Standpipe hose. Add the following "The installation of the fire hose on standpipes may be omitted when approved by the fire code official. Approved standpipe hose valves and connections shall be provided where required."

907.8.3 Fire alarm system interface. Smoke detector sensitivity. Delete this paragraph in its entirety.

g. Chapter 10. Means of egress.

1004.9 Posting of occupant load. Add "Existing A-2 Assembly occupancies shall comply with this section."

1009.8.1 System requirements. After the words "monitoring location" delete the words "or 9-1-1".

h. Chapter 11. Construction requirements for existing buildings.

1103.5.1 Group A-2. After the word "Where" remove the words "alcoholic beverages are consumed" and immediately add the words "a state liquor license is applied for or, renewed or in-place".

h. i. Chapter 23. ~~Wood.~~ Motor fuel-dispensing facilities and repair garages.

2301.1 Scope. After the words "in accordance with this chapter and" insert the words "/or". After the words "International Mechanical Code" insert the words "NFPA 30 and NFPA30A."

j. Chapter 31. Tents, temporary special event structures and other membrane structures.

3107.2 General. Insert words "with planned attendance exceeding 1,000 people" between the words "events" and "shall".

k. Chapter 41. Temporary heating and cooking operations.

4104.2 Open-flame cooking devices. Insert "or decks" after the word "balconies".

Exception 3. The words "2 ½ pounds [nominal 1 pound (0.454 kg)]" is replaced with "47.8 pounds (nominal 20 pounds (9 kg))."

l. Chapter 58. Flammable gases and flammable cryogenic fluids.

5806.2 Limitations. Add "Stationary containers shall be installed at least 300 feet from all residential areas."

m. Chapter 61. Liquefied petroleum gases.

6101.3 Construction documents. After the word "Where" delete "a single LP gas container is more than 2,000 gallons (750 L) in water capacity or".

6108.1 General. After the words "(15,140 L)" insert "at the request of the AHJ".

6103.2.1.6 Use with self-contained torch assemblies. Remove "2 ½ pounds (1 kg)" and replace with "12 pounds".

History: Effective January 1, 2024; amended effective July 1, 2026

General Authority: NDCC 18-01-04, 18-01-33, 18-09-02, 23-15-03

Law Implemented: NDCC 18-01-02, 18-01-04, 18-01-33, 18-09-02, 23-15-03

45-18-01-05. Availability of standards.

The standards listed in section 45-18-01-04 are available from:

1. National Fire Protection Association
Batterymarch Park
Quincy, Massachusetts 02269
(617) 328-9290
2. International Code Council, Inc.
4051 West Flossmoor Road
Country Club Hills, IL 60478-5795
(800) 214-4321

History: Effective January 1, 2024.

General Authority: NDCC 18-01-04, 18-01-33, 18-09-02, 23-15-03

Law Implemented: NDCC 18-01-02, 18-01-04, 18-01-33, 18-09-02, 23-15-03

**ARTICLE 73-02
SECURITIES ACT OF 1951**

Chapter

73-02-01	Registration of Securities
73-02-02	Exempt Securities [Repealed]
73-02-03	Exempt Transactions
73-02-04	Advertising Matter
73-02-05	Unlawful Representations Concerning Registration or Exemption
73-02-06	Registration of Dealers, Salesmen, and Investment Advisers
73-02-07	Records
73-02-08	Fees and Charges
73-02-09	Fraudulent and Unethical Sales Practices and Manipulative Conduct

**CHAPTER 73-02-01
REGISTRATION OF SECURITIES**

Section

73-02-01-01	Small Corporate Offering Registration
73-02-01-02	Adoption of NASAA Statements of Policy for Registration of Certain Types of Securities

73-02-01-01. Small corporate offering registration.

Small corporate offering registration (SCOR) filings may be used for registration applications and exemption applications for corporations that issue securities exempt from federal registration under rule 504 of regulation D of the securities and exchange commission rules. Form U-7, as adopted by the North American securities administrators association, inc., on April 29, 1989, is adopted for this purpose.

History: Effective September 1, 1990; amended effective January 1, 1998.

General Authority: NDCC 10-04-03

Law Implemented: NDCC 10-04-03

73-02-01-02. Adoption of NASAA statements of policy for registration of certain types of securities.

In cooperation with the administrators of the securities laws of other states and with a view toward achieving maximum uniformity of regulations regarding the registration of securities, the filing for approval of the use of an exemption from registration, and the business practices of the securities industry, the securities commissioner will utilize, where applicable, the criteria contained in the North American securities administrators association, inc. (NASAA) statements of policy set forth in this section for offerings registering and for applications for exemption from registration, pursuant to North Dakota Century Code chapter 10-04:

1. Registration of asset-backed securities, adopted October 25, 1995, as amended May 6, 2012;
2. Registration of publicly offered cattle-feeding programs, adopted September 17, 1980;
3. Church bonds, adopted April 14, 2002;
4. Church extension fund securities, adopted April 17, 1994, as amended April 18, 2004;
5. Registration of commodity pool programs, adopted September 21, 1983, as amended May 6, 2012;
6. Corporate securities definitions, adopted April 27, 1997, as amended March 31, 2008;

7. Debt securities, adopted April 25, 1993;
8. Equipment programs, adopted November 20, 1986, as amended May 6, 2012;
9. Health care facility offerings, adopted April 5, 1985;
10. Impoundment of proceeds, adopted April 27, 1997, as amended March 31, 2008;
11. Loans and other material affiliated transactions, adopted April 27, 1997, as amended March 31, 2008;
12. Mortgage program guidelines, adopted September 10, 1996, as amended May 7, 2007;
13. Registration of oil and gas programs, adopted September 22, 1976, as amended May 6, 2012;
14. Registration of direct participation programs - omnibus guidelines, adopted March 29, 1992, as amended May 7, 2007;
15. Options and warrants, as amended March 31, 2008;
16. Preferred stocks, adopted April 27, 1997, as amended March 31, 2008;
17. Promoter's equity investment, adopted April 27, 1997, as amended March 31, 2008;
18. Promotional shares, adopted April 27, 1997, as amended March 31, 2008;
19. Real estate investment trusts, revised and adopted September 29, 1993, as amended May 7, 2007;
20. Real estate programs, adopted September 29, 1993, as amended May 7, 2007;
21. Risk disclosure guidelines, adopted September 9, 2001;
22. Specificity in use of proceeds, adopted September 28, 1999, as amended March 31, 2008;
23. Underwriting expenses and underwriter's warrants, adopted April 27, 1997, as amended March 31, 2008;
24. Unequal voting rights, adopted October 24, 1991, as amended March 31, 2008;
25. Uniform disclosure guidelines for cover legends, adopted October 2, 2004; and
26. Unsound financial condition, adopted April 27, 1997, as amended March 31, 2008.

The statements of policy referred to in this section are found in CCH NASAA reports, published by commerce clearinghouse, and as also available at the office of the North Dakota securities department, 600 east boulevard avenue, state capitol - fifth floor, Bismarck, North Dakota, during regular business hours, or on the department's website, www.ndsecurities.com. The ~~securities~~ commissioner may waive or modify any of the requirements of the statements of policy or guidelines for good cause shown, upon written request of the registrant, if the ~~securities~~ commissioner finds that the requirement is not necessary to protect the public interest under the circumstances.

History: Effective October 1, 2012, amended effective July 1, 2026.

General Authority: NDCC 10-04-03

Law Implemented: NDCC 10-04-08.1

CHAPTER 73-02-05
UNLAWFUL REPRESENTATIONS CONCERNING REGISTRATION OR EXEMPTION

Section

73-02-05-01 Required Statement

73-02-05-01. Required statement.

1. Unless otherwise specifically provided in this section or otherwise waived by the commissioner, the following statement shall be set forth in capital letters printed in boldface type on the outside front cover of any prospectus intended for use or delivery in North Dakota:

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE
~~SECURITIES~~ COMMISSIONER OF THE STATE OF NORTH DAKOTA NOR HAS THE
COMMISSIONER PASSED UPON THE ACCURACY OR ADEQUACY OF THIS
PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL
OFFENSE.

2. The statement prescribed under subsection 1 shall not be required on a prospectus which conforms to the requirements established under the Securities Act of 1933 or any rules or regulations promulgated thereunder.

General Authority: NDCC 28-32-02

Law Implemented: NDCC 10-04-08.3