

Introduced by

Senators Larsen, Klein

Representatives Beadle, Kasper

1 A BILL for an Act to create and enact a new subdivision to subsection 2 of section 12-60-24 of
2 the North Dakota Century Code, relating to insurance producer criminal history background
3 checks; to amend and reenact section 26.1-26-13.3 of the North Dakota Century Code, relating
4 to insurance producer criminal history background checks; and to provide an effective date.

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

6 **SECTION 1.** A new subdivision to subsection 2 of section 12-60-24 of the North Dakota
7 Century Code is created and enacted as follows:

8 The insurance department for criminal history record checks authorized under
9 chapter 26.1-26.

10 **SECTION 2. AMENDMENT.** Section 26.1-26-13.3 of the North Dakota Century Code is
11 amended and reenacted as follows:

12 **26.1-26-13.3. Application for license.**

- 13 1. An individual applying for a resident insurance producer license shall make application
14 to the commissioner on the uniform application and declare under penalty of refusal,
15 suspension, or revocation of the license that the statements made in the application
16 are true, correct, and complete to the best of the individual's knowledge and belief.
17 Before approving the application, the commissioner must find that the individual:
- 18 a. Is at least eighteen years of age;
 - 19 b. Has not committed any act that is a ground for denial, suspension, or revocation
20 set forth in section 26.1-26-42;
 - 21 c. Has paid the fees set forth in section 26.1-01-07; and
 - 22 d. Has successfully passed the examinations for the lines of authority for which the
23 individual has applied.

- 1 2. An individual applying for a resident producer license shall complete a criminal history
2 background check as provided in section 12-60-24. All costs associated with the
3 criminal history background record check are the responsibility of the applicant. This
4 subsection does not apply to license continuation under section 26.1-26-13.4 or
5 individuals who apply for an insurance producer license within twelve months following
6 the cancellation or expiration of a valid resident insurance producer license issued by
7 the North Dakota insurance department, unless the license was suspended or
8 revoked.
- 9 3. The commissioner may make arrangements, including contracting with an outside
10 service, for conducting criminal history background checks.
- 11 4. A business entity acting as an insurance producer must obtain an insurance producer
12 license. Application must be made using the uniform business entity application.
13 Before approving the application, the commissioner must find that:
- 14 a. The business entity has paid the fee set forth in section 26.1-01-07;
15 b. The business entity has designated a licensed individual principal insurance
16 producer responsible for the business entity's compliance with the insurance
17 laws, rules, and regulations of this state; and
18 c. The individual designated as the licensed principal insurance producer of the
19 business entity has taken the examination required by section 26.1-26-13.2. The
20 business entity may only be licensed for those lines of insurance for which one or
21 more of its principal insurance producers is licensed. The business entity shall
22 inform the commissioner within ten working days of any change in the status of
23 its principal insurance producer or producers.
24 d. The commissioner may require any documents reasonably necessary to verify
25 the information contained in an application.

26 **SECTION 3. EFFECTIVE DATE.** This Act becomes effective on September 1, 2013.