

Introduced by

Industry, Business and Labor Committee

(At the request of the Insurance Commissioner)

1 A BILL for an Act to amend and reenact sections 18-04-04 and 26.1-03-11 of the North Dakota
2 Century Code, relating to the imposition of a monetary penalty on insurance companies failing
3 to report certain data to the insurance commissioner; and to provide a penalty.

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

5 **SECTION 1. AMENDMENT.** Section 18-04-04 of the North Dakota Century Code is
6 amended and reenacted as follows:

7 **18-04-04. Insurance companies to report fire, allied lines, homeowner's multiple peril,
8 farmowner's multiple peril, and commercial multiple peril insurance premium collections
9 - Form furnished by insurance commissioner.**

10 1. The insurance commissioner, when the commissioner forwards to an insurance
11 company which is issuing policies for fire, allied lines, homeowner's multiple peril,
12 farmowner's multiple peril, and commercial multiple peril insurance in this state the
13 form to be used in submitting its annual statement, shall forward a form containing the
14 names of all cities and all rural fire protection districts or rural fire departments entitled
15 to benefits under the provisions of this chapter. Every insurance company issuing
16 policies for fire, allied lines, homeowner's multiple peril, farmowner's multiple peril, and
17 commercial multiple peril insurance within this state shall complete such form by
18 showing ~~thereon~~on the form the amount of all premiums received by ~~it~~the insurance
19 company upon such policies issued on property within the corporate limits of each city
20 shown on ~~such~~the form and on property within the boundaries of each rural fire
21 protection district shown on ~~such~~the form or property within the boundaries of each
22 rural fire department as certified by the state fire marshal during the year ending on
23 the preceding thirty-first day of December and shall file the ~~same~~form as a part of
24 ~~its~~the insurance company's annual statement.

1 2. An insurance company failing to report fire, allied lines, homeowner's multiple peril,
2 farmowner's multiple peril, and commercial multiple peril insurance premium
3 collections on or before March first, on forms prescribed by the insurance
4 commissioner, is subject to the monetary penalties prescribed in section 26.1-03-11.

5 **SECTION 2. AMENDMENT.** Section 26.1-03-11 of the North Dakota Century Code is
6 amended and reenacted as follows:

7 **26.1-03-11. Fire companies to report statistical data - Failure to report - Exceptions to**
8 **reporting requirements - Penalty.**

9 Each insurance company issuing fire insurance policies covering property in this state shall
10 annually shall report information setting forth the amount of earned premiums in this state for
11 policies covering insured property located in this state and the amount of claims incurred. This
12 information is not to include personal lines or farm property insurance. This information must be
13 reported on a form prescribed by the commissioner. The company shall file the form with the
14 commissioner or shall certify to the commissioner that the information has been reported
15 directly to an advisory organization upon whose filings the majority of the fire insurance rates for
16 North Dakota are based. The form or certification must accompany the annual statement
17 required under section 26.1-03-07. ~~The commissioner shall forward information filed under this~~
18 ~~section to the advisory organization upon whose filings a majority of the fire insurance rates for~~
19 ~~North Dakota are based. Each advisory organization filing pursuant to chapter 26.1-25 shall use~~
20 ~~this information in its filing. The commissioner shall revoke the certificate of authority of an~~
21 ~~insurance company failing to file the information required by this section~~An insurance company
22 that fails to furnish the form on or before March first is subject to a penalty of one hundred
23 dollars per day. The commissioner shall revoke or suspend the certificate of authority of an
24 insurance company that fails to file the form required in this section. If satisfied the delay was
25 excusable, the insurance commissioner may waive, and if paid, issue a premium tax credit for
26 all or any part of the penalty and interest. The insurance commissioner shall deposit in the
27 insurance tax distribution fund monetary penalties collected under this section.