

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION

SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

1303

2001 HOUSE INDUSTRY, BUSINESS AND LABOR

HB 1303

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1303

House Industry, Business and Labor Committee

Conference Committee

Hearing Date Jan 29, 2001

Tape Number	Side A	Side B	Meter #
1	X		0-30
Committee Clerk Signature <i>Stella Lee</i>			

Minutes: Chairman R. Berg, Vice-Chair G. Keiser, Rep. M. Ekstrom, Rep. R. Froelich, Rep. G. Froseth, Rep. R. Jensen, Rep. N. Johnson, Rep. J. Kasper, Rep. M. Klein, Rep. Koppang, Rep. D. Lemieux, Rep. B. Pietsch, Rep. D. Ruby, Rep. D. Severson, Rep. E. Thorpe.

Representatives Monson and Nicholas: We introduce this bill and are in support of amendments.

Insurance Commissioner Jim Poolman: This bill allows to open up county mutuals to not have a limited number of counties in which to do business with. Current statute allows for business in 20 counties, this bill opens this up and does not put a limit on the amount of counties in which to do business. Our amendments limit to 30 counties and if the county mutual wants to go further it will be up to the Insurance Commissioner. We'd also like to add reporting conditions to include financial information. We'd also like the Insurance Commission to be able to audit and require a \$50,000 reserve requirement.

R. Froseth: How many county mutuals are there currently?

Poolman: Fifteen.

R. Ekstrom: Why remove statutes territory guidelines?

Poolman: There is no need to examine this since there will no longer be boundaries.

R. Kasper: Why put the limit to 30 counties?

Poolman: This would allow mergers but still keep control.

David Kronebusch: (920) *ND Assoc. Farm Mutual*
Written Testimony supporting bill

C. Berg: Explain the difference between a typical county mutual and an insurance company.

Kronebusch: A county mutual was basically formed to serve as a unit to spread risk.

Brenda Doll: (1300) *ND Assoc. Farm Mutual Insurance Company*
Written Testimony supporting bill

R. Koppang: Will this inevitably become one?

Doll: Maybe smaller but no less than 4-6.

R. Kasper: Why haven't the rates raised through years?

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House Industry, Business and Labor Committee

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Doll: Local customers deserve low insurance.

Barry Townsend: (20.00) *ND Assoc. Farm Mutual Insurance Company*

Written Testimony supporting bill

C. Berg: How do you feel about the 30 counties?

Townsend: I support them.

R. Jensen: What about report quarterly if over 20 counties?

Townsend: That's not a disadvantage.

Bob Olson: (2450) *Mutual Insurance Company*

Written Testimony supporting bill

Pat Ward: (2693) *ND Domestic Insurance* We oppose as written. We will agree as changed with amendments.

Kent Olson: (2754) *NDPIA*

Written Testimony supporting bill

C. Berg: Close hearing on HB 1303. Will return after review of testimonies.

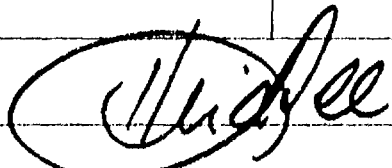
2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1303

House Industry, Business and Labor Committee

Conference Committee

Hearing Date Jan 30, 2001

Tape Number	Side A	Side B	Meter #
3	X		15.6-25.4
Committee Clerk Signature 			

Minutes: Chairman R. Berg, Vice-Chair G. Keiser, Rep. M. Ekstrom, Rep. R. Froelich, Rep. G. Froseth, Rep. R. Jensen, Rep. N. Johnson, Rep. J. Kasper, Rep. M. Klein, Rep. Koppang, Rep. D. Lemieux, Rep. B. Pietsch, Rep. D. Ruby, Rep. D. Severson, Rep. E. Thorpe.

Chairman Berg: Let's take up HB 1303. What are the committees wishes?

Rep Froseth: I move the amendment.

Rep Klein: I second.

Rep Froseth: The bills amendments would remove the county on limit on which the county mutual insurance companies could do business. County mutuals are finding less and less customers in their area and would like to be able to spread their coverage's and their losses.

Rep Pietsch: You could have several county mutuals eligible to do business is the same counties.

Rep Klein: I recommend a do pass as amended.

Rep Koppang: I second.

13 yea, 0 nay, 2 absent

Carrier Rep Froseth

Date: 1-30-01
Roll Call Vote #: 1

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. ~~Click here to type Bill/Resolution No.~~ HB 1303

House Industry, Business and Labor Committee

- Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass w/Amendments

Motion Made By M. Klein Seconded By Koppang

Representatives	Yes	No	Representatives	Yes	No
Chairman- Rick Berg	✓		Rep. Jim Kasper	✓	
Vice-Chairman George Keiser			Rep. Matthew M. Klein	✓	
Rep. Mary Ekstorm	✓		Rep. Myron Koppang	✓	
Rep. Rod Froelich	✓		Rep. Doug Lemieux	✓	
Rep. Glen Froseth	✓		Rep. Bill Pietsch	✓	
Rep. Roxanne Jensen	✓		Rep. Dan Ruby	✓	
Rep. Nancy Johnson	✓		Rep. Dale C. Severson	✓	
			Rep. Elwood Thorpe	✓	

Total (Yes) 13 No 0

Absent 2

Floor Assignment Froseth

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

HB 1303: Industry, Business and Labor Committee (Rep. Berg, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (13 YEAS, 0 NAYS, 2 ABSENT AND NOT VOTING). HB 1303 was placed on the Sixth order on the calendar.

Page 1, line 1, after "to" insert "create and enact a new section to chapter 26.1-13 of the North Dakota Century Code, relating to county mutual insurance companies; and to"

Page 1, line 8, remove the overstrike over "~~reading in not more than~~", after "twenty" insert "thirty", and remove the overstrike over "~~counties in this state,~~"

Page 1, line 12, after the period insert "A county mutual insurance company organized under this chapter shall maintain a surplus of at least fifty thousand dollars."

Page 1, remove the overstrike over lines 20 through 23

Page 1, line 24, remove the overstrike over "~~merged company,~~" and insert immediately thereafter "Upon a showing of good cause, the territory of operations of the merged company may exceed thirty counties."

Page 2, after line 9, insert:

"SECTION 3. A new section to chapter 26.1-13 of the North Dakota Century Code is created and enacted as follows:

County mutual insurance company - Reports to commissioner. Each county mutual insurance company shall file an annual report with the commissioner no later than March first of each year which must be verified by at least two principal officers of the company and which must cover the preceding calendar year. The commissioner may require additional reports as are deemed necessary and appropriate to enable the commissioner to carry out the commissioner's duties under this chapter. The reports must be on forms prescribed by the commissioner. The commissioner may also require a company that operates in more than twenty counties to file audited financial statements as deemed necessary."

Renumber accordingly

2001 SENATE INDUSTRY, BUSINESS AND LABOR

HB 1303

2001 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1303

Senate Industry, Business and Labor Committee

Conference Committee

Hearing Date March 07, 2001.

Tape Number	Side A	Side B	Meter #
2	x		4.0 to 24.1
	x		42.7 to 43.6
Committee Clerk Signature <i>Doris E. Perez</i>			

Minutes:

The meeting was called to order. All committee members, except Senator Espgaard and Senator Krebsbach, present. Hearing was opened on HB 1303 relating to county mutual insurance companies.

Representative Dave Monson, District 10, cosponsor. Section 1 spans the number of cities that city mutuals will be able to sell a product in, from twenty to thirty. Reason: the increase in mergers of county mutuals. As they merge they pick up larger territories and find out they have people they cannot serve because of the twenty county limitation. This will make for stronger, larger companies. Risk will be spread around, the more companies products can be sold in, the safer they are because risks diminish. The new language regarding the surplus will also strengthen these companies, takes a little pressure off the insurance commissioner, will make the companies more solvent. Section 2, page 2, lines 3 and 4 states territory may exceed thirty

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Senate Industry, Business and Labor Committee

Bill/Resolution Number HB 1303

Hearing Date March 07, 2001.

companies, that is up to the insurance commissioner and subject to negotiation. Section 3 is another effort by the insurance commissioner to maintain stability and solvency.

Jim Poolman, Insurance Commissioner. Distributed "Comparison of Regulatory Requirements for P&C Insurers and County Mutuals" table. Allowing the county mutuals to expand with an agreement of additional reporting is the reason for the amendments. This will also protect consumers.

Brenda Doll, Secretary-Manager of Southwest Mutual Ins. Co. In support. Written testimony attached.

Barry Townsend, ND Assn. of Farm Mutuals, in support. Written testimony attached.

Bob Olson, Grinnell Mutual Reinsurance Co. of Iowa, in support. Written testimony attached.

Gerald Peterson, Pres. Northeast Mutual Ins. Co. In favor. Written testimony attached.

No opposing testimony. Hearing closed.

Tape 2-A- 42.7 to 43.6

Discussion held. **Senator Tollefson**. Motion: do pass. **Senator Mathern**: Second.

Roll call vote: 5 yes; 0 no; 2 absent, not voting. Floor assignment: **Senator Tollefson**.

Date: 3/07/01
Roll Call Vote #: 1

2001 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1303

Senate Industry, Business and Labor Committee

Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken To Pass

Motion Made By Sen Tollefson Seconded By Sen Mathern

Senators	Yes	No	Senators	Yes	No
Senator Mutch - Chairman	✓		Senator Every	✓	
Senator Klein - Vice Chairman	✓		Senator Mathern	✓	
Senator Epegard	A				
Senator Krebsbach	A				
Senator Tollefson	✓				

Total (Yes) 5 No 0

Absent 2

Floor Assignment Sen Tollefson

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE (410)
March 7, 2001 1:40 p.m.

Module No: SR-39-5030
Carrier: Tolleson
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

HB 1303, as engrossed: Industry, Business and Labor Committee (Sen. Mutch, Chairman) recommends **DO PASS** (5 YEAS, 0 NAYS, 2 ABSENT AND NOT VOTING). Engrossed HB 1303 was placed on the Fourteenth order on the calendar.

2001 TESTIMONY

HB 1303

