

2009 SENATE INDUSTRY, BUSINESS AND LABOR

SB 2181

2009 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 2181

Senate Industry, Business and Labor Committee

Check here for Conference Committee

Hearing Date: January 20, 2009

Recorder Job Number: 7272

Committee Clerk Signature

Eva Lubelt

Minutes:

Chairman Klein: We will open the meeting on Senate Bill 2181.

Carole Kessel, Chief Examiner and Director of the Examinations and Company Licensing Division: Written Testimony Attached. In support of 2181.

Chairman Klein: My understanding that someone was looking through the code and saw the word contracts was missing?

Carole Kessel: That is correct. It happened in the last year that we caught it. The omission and felt we had to change it.

Senator Horne: So for the last four years, you've been operating without this. It obviously hasn't caused much of a problem. So you want to correct this and make this right?

Carole Kessel: Yes. There is not a fatal flaw. It just needs to be cleaned up to avoid any problem in the future.

Senator Andrist: It actually isn't making sense without the word.

Carole Kessel: You're absolutely correct and I can't tell you why it was overlooked.

Chairman Klein: We're going to close the hearing on Senate Bill 2181.

Motion for a do pass by Senator Wanzek. Seconded by Senator Andrist.

Roll Call Vote: Yes: 7 No: 0 Floor Assignment: Senator Behm

REPORT OF STANDING COMMITTEE (410)
January 20, 2009 1:12 p.m.

Module No: SR-11-0590
Carrier: Behm
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

SB 2181: Industry, Business and Labor Committee (Sen. Klein, Chairman) recommends DO PASS (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2181 was placed on the Eleventh order on the calendar.

2009 HOUSE INDUSTRY, BUSINESS AND LABOR

SB 2181

2009 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. 2181

House Industry, Business and Labor Committee

Check here for Conference Committee

Hearing Date: March 9, 2009

Recorder Job Number: 10416

Committee Clerk Signature

Ellen DeLang

Chairman Keiser: Opened the hearing on SB relating to contracts of reinsurance.

Carole Kessel~Chief Examiner & Director of the Examinations & Company Licensing Division, North Dakota Insurance Department. See testimony attachment.

Chairman Keiser: Any questions from committee members? Anyone here to testify on SB

2181 in opposition, neutral? Closes the hearing, what are the wishes of the committee?

Representative N Johnson: Moves a Do Pass on SB 2181.

Representative Schneider: Second.

Voting roll call was taken on SB 2181 for a Do Pass with 13 yeas, 0 nays, 0 absent with Representative Schneider as the carrier.

Date: Mar 9 - 2009

Roll Call Vote # 1

2009 HOUSE STANDING COMMITTEE ROLL CALL VOTES

BILL/RESOLUTION NO. 2181

House House, Business & Labor Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass Do Not Pass As Amended

Motion Made By N Johnson Seconded By Schneider

Representatives	Yes	No	Representatives	Yes	No
Chairman Keiser	1		Representative Amerman	1	
Vice Chairman Kasper	1		Representative Boe	1	
Representative Clark	1		Representative Gruchalla	1	
Representative N Johnson	1		Representative Schneider	1	
Representative Nottestad	1		Representative Thorpe	1	
Representative Ruby	1				
Representative Sukut	1				
Representative Vigasaa	1				

Total (Yes) 13 No 0

Absent 0

Floor Assignment Schneider

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

REPORT OF STANDING COMMITTEE

SB 2181: Industry, Business and Labor Committee (Rep. Keiser, Chairman) recommends DO PASS (13 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2181 was placed on the Fourteenth order on the calendar.

2009 TESTIMONY

SB 2181

SENATE BILL NO. 2181

*Same to
given to
House.*

Presented by: Carole Kessel
Chief Examiner and Director of the Examinations and
Company Licensing Division
North Dakota Insurance Department

Before: Senate Industry, Business and Labor Committee
Senator Jerry Klein, Chairman

Date: January 20, 2009

TESTIMONY

Mr. Chairman and members of the committee. Good morning, my name is Carole Kessel and I am the Chief Examiner and Director of the Examinations and Company Licensing Division of the North Dakota Insurance Department. I stand before you today to testify in support of Senate Bill No. 2181.

This bill makes a minor change in N.D.C.C. § 26.1-06.1-31(1) to add the word "contracts" that was mistakenly omitted in a 2005 legislative amendment. The underlying provision is part of the insurance company rehabilitation and liquidation law and it relates to the liquidator's recovery of reinsurance payments in the event of insolvency of an insurer.

The addition of the word "contracts" will remove ambiguity and provide conformity with a corresponding provision in N.D.C.C. § 26.1-02-21 that requires an insurer's reinsurance contracts to contain a proper insolvency clause in order for the insurer to obtain credit for reinsurance in its statutory financial reports.

The Insurance Department supports passage of this bill. If there are any questions, I would be happy to answer them. Thank you.