

Sixty-third  
Legislative Assembly  
of North Dakota

ENGROSSED HOUSE BILL NO. 1181

Introduced by

Representatives Keiser, Frantsvog, Ruby, Vigesaa

Senators Andrist, Klein

1 A BILL for an Act to create and enact section 26.1-44-03.2 of the North Dakota Century Code,  
2 relating to domestic surplus lines insurers.

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

4 **SECTION 1.** Section 26.1-44-03.2 of the North Dakota Century Code is created and  
5 enacted as follows:

6 **26.1-44-03.2. Domestic surplus lines insurers.**

7 1. A North Dakota domestic insurer may be designated a domestic surplus lines insurer

8 if:

9 a. The insurer possesses a policyholder surplus of at least fifteen million dollars;

10 b. The designation is in compliance with a resolution of the insurer's board of  
11 directors; and

12 c. The commissioner has provided written approval of the designation.

13 2. A domestic surplus lines insurer may write surplus lines insurance in North Dakota and  
14 any other jurisdiction in which the insurer is eligible. A domestic surplus lines insurer  
15 may insure in this state any risk if:

16 a. Produced pursuant to chapter 26.1-44;

17 b. The premium is subject to surplus lines premium tax pursuant to section  
18 26.1-44-03.1; and

19 c. Issued pursuant to the surplus lines insurance multistate compliance compact.

20 3. For purposes of the federal Nonadmitted and Reinsurance Reform Act of 2010  
21 [15 U.S.C. 8201 et seq.], a domestic surplus lines insurer is considered a nonadmitted  
22 insurer as defined under that Act, with respect to risks insured in this state.

- 1        4. A domestic surplus lines insurer may not issue a policy designed to satisfy the motor  
2        vehicle financial responsibility requirements in chapter 26.1-41 or any other law  
3        mandating insurance coverage by a licensed insurance company.
- 4        5. Except as specifically exempted from such requirements, a domestic surplus lines  
5        insurer is subject to compliance with all financial examination and solvency  
6        requirements that apply to domestic insurers under chapter 26.1-03 regarding  
7        examinations and reports.
- 8        6. A domestic surplus lines insurer is not subject to the provisions of chapter 26.1-38.1  
9        regarding the life and health insurance guaranty association nor to chapter 26.1-39  
10       regarding property and casualty insurance.