

Introduced by

Industry, Business and Labor Committee

(At the request of the Insurance Commissioner)

1 A BILL for an Act to amend and reenact section 26.1-22-14 of the North Dakota Century Code,
2 relating to assessments and reporting of premiums and losses for the state fire and tornado
3 fund.

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

5 **SECTION 1. AMENDMENT.** Section 26.1-22-14 of the North Dakota Century Code is
6 amended and reenacted as follows:

7 **26.1-22-14. Assessments and reporting of premiums and losses.**

8 If the reserve balance is less than twelve million dollars, the commissioner shall determine
9 the amount of money necessary to bring the reserve balance up to twelve million dollars. The
10 commissioner shall then levy an assessment against every policy in force with the fund. The
11 assessment must be computed as follows:

12 The eighty percent or ninety percent coinsurance rate established by the insurance services
13 office for each insured property for which that rate may be applicable, and the full rate
14 established for policies providing coverage against indirect losses and for properties to
15 which the eighty percent or ninety percent coinsurance rate is not applicable under the rules
16 of the insurance services office, must be applied to the amount of insurance provided in
17 each policy and the result of the application of the rate to the amount of insurance sets the
18 tentative assessment to be made against the policy. The total of all tentative assessments
19 must then be ascertained. The percentage of the assessment necessary to restore the
20 reserve balance to the sum of twelve million dollars must then be computed and collected
21 on each policy; provided, that until the reserve balance reaches twelve million dollars, the
22 assessment must be in an amount determined by the commissioner but may not exceed
23 sixty percent of the rates set by the insurance services office for insured property unless the

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1 reserve balance is depleted below three million dollars. In case of a fractional percentage
2 the next higher whole percent must be used in such computation.
3 The commissioner shall submit, not later than December thirty-first of each ~~odd-numbered-~~
4 ~~year~~every five-year period, all data concerning premiums written and losses incurred during the
5 previous ~~biennium~~five-year period ending ~~July thirty-first~~June thirtieth to the insurance services
6 office so that the experience of the fund may be included in the computation of rates to apply to
7 the classes of business written by the fund.