

Introduced by

Senators Klein, Lemm, Wanzek

Representatives Brandenburg, D. Johnson, Vigesaa

1 A BILL for an Act to create and enact a new section to chapter 26.1-02 of the North Dakota
2 Century Code, relating to exemption from insurance regulations for nonprofit agricultural
3 membership organizations.

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

5 **SECTION 1.** A new section to chapter 26.1-02 of the North Dakota Century Code is created
6 and enacted as follows:

7 **Nonprofit agricultural membership organizations.**

- 8 1. Except as provided under this section, a nonprofit agricultural membership
9 organization is not subject to this title or the jurisdiction of the commissioner. Health
10 care coverage provided by a nonprofit agricultural membership organization to
11 members of the organization is not insurance regulated under this title.
- 12 2. Any risk arising out of the health care coverage provided by a nonprofit agricultural
13 membership organization or an affiliate of the organization must be reinsured by a
14 company authorized to conduct insurance in this state.
- 15 3. A nonprofit agricultural membership organization may not provide health care
16 coverage under this section unless the organization has filed with the commissioner
17 verification the organization meets the requirements of this section.
- 18 4. Health care coverage under this section may be sold only by an insurance producer
19 who is both appointed by the nonprofit agricultural membership organization and
20 licensed as an insurance producer to sell or solicit health insurance in this state.
- 21 5. Health care coverage under this section must provide benefits under a self-funded
22 arrangement administered by an entity that holds a certificate of authority under
23 section 26.1-27-03.

- 1 6. A health care coverage application for coverage under this section and any related
2 contract provided to the member prominently must state the health care coverage is
3 not insurance, is not provided by an insurance company, is not subject to the laws and
4 rules governing insurance, and is not subject to the jurisdiction of the commissioner.
- 5 7. As used in this section, "nonprofit agricultural membership organization" means an
6 organization incorporated under the laws of this state before August 1, 2023, for the
7 purpose of promoting the interests of farmers in the state, or an affiliate of the
8 organization, which organization or affiliate provides health care coverage for
9 members and the families of the members pursuant to a contract between the member
10 and the organization or affiliate.