



<b>HEADQUARTERS</b>	<b>WASHINGTON OFFICE</b>
3601 VINCENNES ROAD	122 "C" STREET, NW
INDIANAPOLIS, INDIANA 46268	SUITE 540
TELEPHONE: (317) 875-5250	WASHINGTON, D.C. 20001
FAX: (317) 879-8408	TELEPHONE: (202) 628-1558
<a href="http://WWW.NAMIC.ORG">WWW.NAMIC.ORG</a>	FAX: (202) 628-1601

January 23, 2007

The Honorable Jerry Klein  
Chairman, Senate Industry, Business and Labor Committee  
North Dakota Senate

The Honorable George J. Keiser  
Chairman, House Industry, Business and Labor Committee  
North Dakota House of Representatives  
600 East Boulevard  
Bismarck, ND 58505

**RE: SB 2296 and HB 1308**

Dear Chairmen Klein and Keiser:

Thank you for this opportunity to provide **PROPONENT** testimony on Senate Bill 2296 (Wanzek) and House Bill 1308 (Keiser).

Founded in 1895, the National Association of Mutual Insurance Companies (NAMIC) is a full-service national trade association serving the property/casualty insurance industry with more than 1,400 member companies that underwrite more than 40 percent of the property/casualty insurance premium in the United States. In North Dakota, NAMIC members (including 16 domiciled companies) underwrite 46 percent (\$557 million) of the direct written premium in the state.

NAMIC's number one public policy priority is a reformed system of state regulation of insurance through the passage of regulatory modernization laws that ultimately eliminate price regulation of insurance rates. NAMIC is also a strong proponent of reformed market conduct and financial solvency regulation to protect the interests of consumers and policyholders. Our ultimate goal is to achieve a regulatory system that befits a mature industry operating in a highly competitive marketplace. To that end, we continue to work in partnership with the National Conference of Insurance Legislators (NCOIL), the National Conference of State Legislators (NCSL) and our other industry colleagues to secure passage of regulatory modernization laws in as many states as possible. Since 2003, 17 states have enacted some form of regulatory modernization.

Insurance Commissioner Jim Poolman and the staff of the Department of Insurance deserve a great deal of credit for approving rate filings in a professional and timely manner. Most, if not all, insurance companies doing business in North Dakota agree that Commissioner Poolman and his staff are an excellent example of why states should remain the sole regulators of the insurance industry. Unfortunately, not every insurance department is as efficient or effective as the current regime. Passage of SB 2296 or HB 1308 would ensure prompt availability of affordable insurance products regardless of who serves as commissioner.

Although not identical, SB 2296 and HB 1308 share much in common with model bills adopted by the National Conference of Insurance Legislators: the *Property/Casualty Flex-Rating Regulatory Improvement Model Act* and the *Property/Casualty Insurance Modernization Act*, respectively. NAMIC believes both SB 2296 and HB 1308 to be meritorious and worthy of the legislature's serious consideration; however, we are fully aware that only one proposal is likely to move forward. Either proposal will ensure that insurance companies are able to deliver products to market more quickly and efficiently, helping stimulate competition and directly benefiting consumers through greater availability and competitive prices for insurance products. Therefore, NAMIC strongly encourages the legislature to find a compromise solution which will allow North Dakota insurance consumers to benefit from the hard work put into both proposals by Commissioner Poolman, Chairman Klein, Chairman Keiser and others.

If, ultimately, SB 2296 is the bill moving forward, NAMIC respectfully suggests an increase in the "flex-band," currently at five percent, and removal of farm policies from the "noncompetitive market" section of the bill.

Thank you for your leadership on this critical public policy issue and thank you for this opportunity to express support for SB 2296 and HB 1308.

If you have questions or need further information, please feel free to contact me at 614.262.4798 or via e-mail at [jthesing@namic.org](mailto:jthesing@namic.org).

Sincerely,

A handwritten signature in black ink, appearing to read "Joe Thesing". The signature is fluid and cursive, with a large loop at the beginning and a trailing flourish at the end.

Joe Thesing  
State Affairs Manager  
North Central Region