

August 10, 2023

Karen Schutter  
IIPRC Executive Director  
444 North Capitol Street, NW  
Hall of the States, Suite 701  
Washington, DC 20001-1509

RE: Notice of North Dakota's Election to Opt-Out of All Individual and Group Disability Income Insurance Uniform Standard

Dear Ms. Schutter:

The North Dakota Insurance Department worked closely with the 68<sup>th</sup> Legislative Assembly to pass Senate Bill 2172 which allowed for the state to implement the provisions of the Interstate Insurance Product Regulation Compact. As part of that implementation, the department performed a detailed review of all Uniform Standards that have been adopted, thus far, by the Commission.

These standards were reviewed by Department personnel who, combined, have decades of experience not only in insurance regulation but also in the insurance industry. Department personnel reviewed the standards not only for areas in which the standards differed from state statutes and/or regulations, but also for areas in which the level of consumer protection afforded by Compact standards may be less than established levels in this state. Commission staff provided valuable assistance at every stage of this lengthy process. The staff's assistance is greatly appreciated. Despite these efforts, at this point, the Department has one remaining area of concern.

Please allow this correspondence to serve as North Dakota's formal election that it will "opt-out" of all Uniform Standards for Individual Disability Income Policies and Group Disability Income Insurance Policy and Certificate for Employer Groups. At this point, the Department requires additional time to perform due diligence relating to adopting this standard in North Dakota and continues to gather valuable input and guidance from internal Department personnel, fellow Compacting states, and Commission staff. Therefore, we request a temporary stay of effectiveness of the applicable Uniform Standards with respect to North Dakota for six months.

The Department will continue its examination of this standard to ensure it has an accurate understanding of the Compact standard's impact on North Dakota consumers and will undertake



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any kind of regulatory process for the purpose of formalizing its decision to opt out of this standard. Despite these steps mandated by the Compact, the Department is hopeful that through further collaboration with the Product Standards Committee, this particular standard will include language that allows North Dakota to participate in this area of uniformity and takes into account the established levels of consumer protection that North Dakotans currently require.

Please know that this process was undertaken with the greatest care and in no manner serves to make any statement with respect to any of the other Interstate Compact's Uniform Standards. The State of North Dakota firmly believes in the mission of the Interstate Compact and its efforts to bring further uniformity to insurance products.

Sincerely,

A handwritten signature in black ink, appearing to read "J Godfread". The signature is written in a cursive, somewhat stylized font.

Jon Godfread  
Insurance Commissioner