

**TITLE 4: ECONOMIC RESOURCES**  
**DIVISION 7: INSURANCE**

**§ 7504. Rates.**

(a) [Repealed.]

(b) *Standards.* An insurer in making rates, and the commissioner in approving them, shall apply the standards described in this section:

(1) Rates shall not be excessive or inadequate, as herein provided, nor shall they be unfairly discriminatory;

(2) No rate may be excessive unless the rate is unreasonably high for the insurance provided, and a reasonable degree of competition does not exist in the Commonwealth with respect to the classification to which the rate is applicable;

(3) No rate may be held inadequate unless the rate is unreasonably low for the insurance provided, and the continued use of the rate endangers the solvency of the insurer;

(4) Consideration shall be given, to the extent applicable, to past and prospective loss experiences, to prevailing hazards, and to underwriting profits, contingencies, expenses and other normal business requirements and factors.

(c) *Rating Bureaus.* Insurers are authorized to become members or subscribers of rating bureaus, or advisory organizations of a like nature and may use the rates, rating systems, and underwriting rules and policy forms of the organizations; provided, the same are not excessive, inadequate, nor unfairly discriminatory, conform to the provisions of this division, and are approved by the commissioner.

(d) *Penalty.* Any person violating any of the provisions of this section shall be guilty of a misdemeanor, and shall, upon conviction, be subject to a fine of not more than \$1,000 if the person convicted is not a natural person; or if the person convicted is a natural person, a fine of not more than \$500 or imprisonment of not more than six months, or both such fine and imprisonment.

**Source:** PL 3-107, § 27; subsection (a) repealed and amended by PL 18-34 § 4 (Feb. 14, 2014), modified.

**Commission Comment:** Section 4 of PL 18-34 begins as follows:

Section 4. Repeal and Re-enactment. 4 CMC § 7504(a) shall be repealed and amended as follows:

**Filing rates, plans with Commissioner; Prior Approval by Commissioner; Public inspection of Rate Filings.**

...

The Commission codified the text that followed at 4 CMC § 7605.