

SENATE BILL NO. 2407

Introduced by

Senators D. Mathern, Flakoll

1 A BILL for an Act to create and enact a new section to chapter 26.1-26 of the North Dakota
2 Century Code, relating to insurance sales by rental car agencies.

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

4 **SECTION 1.** A new section to chapter 26.1-26 of the North Dakota Century Code is
5 created and enacted as follows:

6 **Insurance license for automobile rental agencies - Exception.** A license as an
7 insurance agent or limited insurance representative is not required for the counter sales
8 personnel of an automobile rental company or its franchisee if:

- 9 1. The automobile rental company is appropriately licensed in this state under section
10 26.1-26-08.
- 11 2. The coverage offered by the counter sales personnel is limited to the following:
 - 12 a. Personal accident insurance covering the risks of travel, including accident
13 and health insurance that provides coverage to renters and other rental
14 vehicle occupants for accidental death or dismemberment and for medical
15 expenses resulting from an accident that occurs during the rental period;
 - 16 b. Supplemental liability insurance that provides coverage to renters and other
17 vehicles for liability arising from the operation of the rental vehicle;
 - 18 c. Personal effects insurance that provides coverage to renters and other vehicle
19 occupants for the loss of, or damage to, personal effects that occurs during
20 the rental period;
 - 21 d. Roadside assistance and emergency sickness protection programs; and
 - 22 e. Any other coverage that a rental company offers in connection with and
23 incidental to the rental of vehicles.

- 1 3. The policy period of any insurance sold by the counter sales personnel is ninety
- 2 days or less.
- 3 4. The automobile rental company files an acknowledgement with the commissioner
- 4 that its counter sales personnel act on its behalf and that it is responsible for any
- 5 representations made by the counter sales personnel relating to insurance
- 6 products offered through the automobile rental company or its franchisee. The
- 7 acknowledgement must state that the commissioner has the right to take any
- 8 administrative action contemplated in this title, including revocation or suspension
- 9 of the automobile rental companies agency license required under subsection 1.
- 10 5. The automobile rental company provides basic training to counter sales personnel
- 11 in the insurance products offered under this section. The training must require
- 12 counter sales personnel to refer all customers with questions regarding the
- 13 insurance products offered under this section to appropriately licensed agents
- 14 employed by the automobile rental company or to written brochures or other
- 15 materials that:
- 16 a. Summarize the material terms of the coverage, including the identity of the
- 17 insurer;
- 18 b. Disclose that the policies offered by the automobile rental company may
- 19 duplicate coverage already provided by other insurance the renter may have;
- 20 c. State that the purchase of insurance is not required to rent the vehicle; and
- 21 d. Describes the process of filing a claim.
- 22 6. The counter sales personnel are not directly paid by an insurance company, a
- 23 commission, or any other compensation for the sale of insurance. Nothing in this
- 24 section prevents the automobile rental company from providing sales incentives to
- 25 counter sales personnel provided there is not a direct relationship between the sale
- 26 of insurance products and the counter sales personnel's compensation.