

Fifty-seventh  
Legislative Assembly  
of North Dakota

## ENGROSSED HOUSE BILL NO. 1427

Introduced by

Representatives Nicholas, Nottestad, Wald, Warner

Senators Kelsh, Tollefson

1 A BILL for an Act to amend and reenact section 51-07-24 of the North Dakota Century Code,  
2 relating to prohibition of insurance claims for excessive charges.

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

4 **SECTION 1. AMENDMENT.** Section 51-07-24 of the North Dakota Century Code is  
5 amended and reenacted as follows:

6 **51-07-24. Insurance claims for excessive charges - Penalty.**

- 7 1. A person who sells goods or services may not:
- 8 a. Advertise or promise to provide a good or service as an incentive, paid for by  
9 the consumer from proceeds of an insurance policy that provides coverage  
10 for physical damage to automobiles, and to pay or waive all or part of any  
11 applicable insurance deductible or to pay a rebate in an amount equal to all or  
12 part of any applicable insurance deductible; ~~and~~ or
- 13 b. Knowingly charge an amount for the good or service that exceeds the usual  
14 and customary charge by that person for the good or service by an amount  
15 equal to or greater than all or part of the applicable insurance deductible paid  
16 by that person on behalf of an insured or remitted to an insured by that  
17 person as a rebate.
- 18 2. A person who is insured under an insurance policy that provides coverage for  
19 physical damage to automobiles may not knowingly submit a claim under the  
20 policy based on charges that are in violation of subsection 1 or may not knowingly  
21 allow a claim in violation of subsection 1 to be submitted, unless the person  
22 promptly notifies the insurer of the excessive charges.
- 23 3. A violation of this section is a class B misdemeanor.