

HOUSE BILL NO. 1378

Introduced by

Representatives Severson, Berg, Kasper

1 A BILL for an Act to create and enact a new subsection to section 26.1-40-15.6 of the North
2 Dakota Century Code, relating to limitations on automobile insurance; and to amend and
3 reenact sections 26.1-40-16 and 26.1-40-16.1 of the North Dakota Century Code, relating to
4 persons excluded from automobile insurance policies.

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

6 **SECTION 1.** A new subsection to section 26.1-40-15.6 of the North Dakota Century
7 Code is created and enacted as follows:

8 While operating a motor vehicle in which the individual is specifically excluded.

9 **SECTION 2. AMENDMENT.** Section 26.1-40-16 of the North Dakota Century Code is
10 amended and reenacted as follows:

11 **26.1-40-16. Exclusion of ~~spouse of~~ named insured persons - Restrictive**
12 **endorsements.** ~~No insurer is responsible under~~ By written agreement with the named insured,
13 a private passenger automobile insurance policy covering an automobile or other motor vehicle
14 registered or principally garaged in this state from any liability for any claims resulting from the
15 operation of the motor vehicle by a spouse of the named insured who resides in the same
16 household if an endorsement on the policy excludes that spouse from coverage under the
17 policy and the spouse excluded signs the endorsement. If the named insured expressly or
18 impliedly consents to the operation of a secured motor vehicle by a spouse excluded under the
19 policy, the named insured is not relieved of personal liability as provided by subsection 5 of
20 section 26.1-41-02 may exclude a named individual, individuals, or class of individuals from
21 coverage. The policy may contain a restrictive endorsement reducing the limits of liability,
22 uninsured motorist coverage, underinsured motorist coverage, basic no-fault benefits coverage,
23 or collision coverage while the vehicle is operated by a named individual or class of individuals.
24 However, if the policy does provide liability coverage to a person named in a restrictive

1 endorsement, the coverage may not be less than the minimum provided under section
2 26.1-40-15.2, section 26.1-40-15.3, subsection 2 of section 26.1-41-01, and section 39-16.1-11.

3 **SECTION 3. AMENDMENT.** Section 26.1-40-16.1 of the North Dakota Century Code
4 is amended and reenacted as follows:

5 **26.1-40-16.1. Payment of benefits to family members of a policyholder.** An
6 automobile insurance policy that provides coverage for bodily injury may not contain any
7 provision limiting payment of benefits or reducing the amount of benefits payable to a person
8 because the person to whom benefits are being paid under that policy is related to the
9 policyholder by blood, marriage, or adoption, or is a foster child, and resides in the same
10 household as the policyholder. However, a relative may be excluded from coverage under
11 section 26.1-40-16.