

Fifty-eighth
Legislative Assembly
of North Dakota

ENGROSSED SENATE BILL NO. 2275

Introduced by

Senators Fischer, Heitkamp, J. Lee

Representatives Delmore, Hawken, Nottestad

1 A BILL for an Act to amend and reenact section 26.1-41-13 of the North Dakota Century Code,
2 relating to coordination of benefits for automobile insurance; and to provide an effective date.

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

4 **SECTION 1. AMENDMENT.** Section 26.1-41-13 of the North Dakota Century Code is
5 amended and reenacted as follows:

6 **26.1-41-13. Priority of applicable security - Coordination of benefits.**

- 7 1. A basic no-fault insurer has the primary obligation to make payment for economic
8 loss because of accidental bodily injury arising out of the operation of a motor
9 vehicle; provided, that the amount of all benefits a claimant recovered or is entitled
10 to recover for the same elements of loss under any workers' compensation law
11 must be subtracted from the basic no-fault benefits otherwise payable for the
12 injury.
- 13 2. As between applicable security basic no-fault benefits are payable as follows:
- 14 a. As to any person injured while occupying a secured motor vehicle, or injured
15 as a pedestrian by a secured motor vehicle, the basic no-fault insurer of the
16 secured motor vehicle shall pay the benefits.
- 17 b. As to any person who is injured while occupying an unsecured motor vehicle,
18 or while being struck as a pedestrian by an unsecured motor vehicle, the
19 basic no-fault insurer affording the benefits to the injured person shall pay the
20 benefits.
- 21 c. As to any person injured while occupying a bus that is a secured motor
22 vehicle, the basic no-fault insurer affording benefits to the injured person as
23 the owner of a secured motor vehicle or as a relative of the owner of a
24 secured motor vehicle shall pay the benefits; and, if there is no basic no-fault

insurer affording benefits to the injured person, then the basic no-fault insurer of the bus shall pay the benefits.

d. As to any person injured while occupying a secured motor vehicle that is transporting persons under a ridesharing arrangement, as defined in section 8-02-07, the basic no-fault insurer affording benefits to the injured person as the owner of a secured motor vehicle or as a relative of the owner of a secured motor vehicle shall pay the benefits; and, if there is no basic no-fault insurer affording benefits to the injured person, then the basic no-fault insurer of the secured motor vehicle shall pay the benefits.

3. An insurer, health maintenance organization, or nonprofit health service corporation, other than a basic no-fault insurer, authorized to do business in this state may coordinate any benefits it is obligated to pay for economic loss incurred as a result of accidental bodily injury, with the first ~~five~~ ten thousand dollars of basic no-fault benefits. A basic no-fault insurer authorized to do business in this state may coordinate any benefits it is obligated to pay for medical expenses incurred as a result of accidental bodily injury in excess of ~~five~~ ten thousand dollars. An insurer, health maintenance organization, or nonprofit health service corporation, other than a basic no-fault insurer, may not coordinate benefits unless it provides those persons who purchase benefits from it with an equitable reduction or savings in the direct or indirect cost of purchased benefits. The commissioner shall approve any coordination of benefits plan.

SECTION 2. AMENDMENT. Section 26.1-41-13 of the North Dakota Century Code is amended and reenacted as follows:

26.1-41-13. Priority of applicable security - Coordination of benefits.

1. A basic no-fault insurer has the primary obligation to make payment for economic loss because of accidental bodily injury arising out of the operation of a motor vehicle; provided, that the amount of all benefits a claimant recovered or is entitled to recover for the same elements of loss under any workers' compensation law must be subtracted from the basic no-fault benefits otherwise payable for the injury.
2. As between applicable security basic no-fault benefits are payable as follows:

- 1 a. As to any person injured while occupying a secured motor vehicle, or injured
2 as a pedestrian by a secured motor vehicle, the basic no-fault insurer of the
3 secured motor vehicle shall pay the benefits.
- 4 b. As to any person who is injured while occupying an unsecured motor vehicle,
5 or while being struck as a pedestrian by an unsecured motor vehicle, the
6 basic no-fault insurer affording the benefits to the injured person shall pay the
7 benefits.
- 8 c. As to any person injured while occupying a bus that is a secured motor
9 vehicle, the basic no-fault insurer affording benefits to the injured person as
10 the owner of a secured motor vehicle or as a relative of the owner of a
11 secured motor vehicle shall pay the benefits; and, if there is no basic no-fault
12 insurer affording benefits to the injured person, then the basic no-fault insurer
13 of the bus shall pay the benefits.
- 14 d. As to any person injured while occupying a secured motor vehicle that is
15 transporting persons under a ridesharing arrangement, as defined in section
16 8-02-07, the basic no-fault insurer affording benefits to the injured person as
17 the owner of a secured motor vehicle or as a relative of the owner of a
18 secured motor vehicle shall pay the benefits; and, if there is no basic no-fault
19 insurer affording benefits to the injured person, then the basic no-fault insurer
20 of the secured motor vehicle shall pay the benefits.
- 21 3. ~~An insurer, health maintenance organization, or nonprofit health service~~
22 ~~corporation, other than a basic no fault insurer, authorized to do business in this~~
23 ~~state may coordinate any benefits it is obligated to pay for economic loss incurred~~
24 ~~as a result of accidental bodily injury, with the first five thousand dollars of basic~~
25 ~~no fault benefits. A basic no fault insurer authorized to do business in this state~~
26 ~~may coordinate any benefits it is obligated to pay for medical expenses incurred as~~
27 ~~a result of accidental bodily injury in excess of five thousand dollars. An insurer,~~
28 ~~health maintenance organization, or nonprofit health service corporation, other~~
29 ~~than a basic no fault insurer, may not coordinate benefits unless it provides those~~
30 ~~persons who purchase benefits from it with an equitable reduction or savings in the~~

1 ~~direct or indirect cost of purchased benefits. The commissioner shall approve any~~
2 ~~coordination of benefits plan.~~

3 **SECTION 3. EFFECTIVE DATE.** Section 2 of this Act becomes effective on August 1,
4 2005.