

Fifty-eighth
Legislative Assembly
of North Dakota

REENGROSSED 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; to repeal chapter 26.1-41 of the
3 North Dakota Century Code, relating to motor vehicle no-fault insurance; to provide for a
4 legislative council study; and to provide an effective date.

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

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

8 **26.1-41-13. Priority of applicable security - Coordination of benefits.**

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

1 the owner of a secured motor vehicle or as a relative of the owner of a
2 secured motor vehicle shall pay the benefits; and, if there is no basic no-fault
3 insurer affording benefits to the injured person, then the basic no-fault insurer
4 of the bus shall pay the benefits.

5 d. As to any person injured while occupying a secured motor vehicle that is
6 transporting persons under a ridesharing arrangement, as defined in section
7 8-02-07, the basic no-fault insurer affording benefits to the injured person as
8 the owner of a secured motor vehicle or as a relative of the owner of a
9 secured motor vehicle shall pay the benefits; and, if there is no basic no-fault
10 insurer affording benefits to the injured person, then the basic no-fault insurer
11 of the secured motor vehicle shall pay the benefits.

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

24 **SECTION 2. REPEAL.** Chapter 26.1-41 of the North Dakota Century Code is
25 repealed.

26 **SECTION 3. LEGISLATIVE COUNCIL STUDY - MOTOR VEHICLE NO-FAULT**
27 **INSURANCE.** The legislative council shall consider studying, during the 2003-04 interim, the
28 motor vehicle no-fault insurance system, including coordination of benefits. The legislative
29 council shall report its findings and recommendations, together with any legislation required to
30 implement the recommendations, to the fifty-ninth legislative assembly.

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