

**FIRST ENGROSSMENT
with Senate Amendments**

Fifty-eighth
Legislative Assembly
of North Dakota

ENGROSSED HOUSE BILL NO. 1139

Introduced by

Industry, Business and Labor Committee

(At the request of the Insurance Commissioner)

1 A BILL for an Act to create and enact a new subsection to section 26.1-33-11 of the North
2 Dakota Century Code, relating to interest paid on death claims by insurance companies; and to
3 amend and reenact subdivision e of subsection 3 of section 26.1-29-09.1, subdivision c of
4 subsection 2 of section 26.1-37-01, and subdivision a of subsection 1 of section 26.1-38.1-03 of
5 the North Dakota Century Code, relating to insurable interest in personal insurance, credit
6 insurance on motor vehicles, and life insurance and annuity accounts maintained by the life and
7 health insurance guaranty association.

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

9 **SECTION 1.** A new subsection to section 26.1-33-11 of the North Dakota Century
10 Code is created and enacted as follows:

11 A provision that the settlement of a death claim must be made upon receipt of due
12 proof of death, or not later than two months after receipt of the proof of death, and
13 must include reasonable interest accrued from the date of death so long as a proof
14 of death is filed within one hundred eighty days after the date of the death.

15 **SECTION 2. AMENDMENT.** Subdivision e of subsection 3 of section 26.1-29-09.1 of
16 the North Dakota Century Code is amended and reenacted as follows:

17 e. In the case of a corporation or the trustee of a trust providing life, health,
18 disability, retirement, or similar benefits to employees of one or more
19 corporations, and acting in a fiduciary capacity with respect to the employees,
20 retired employees, or their dependents or beneficiaries, a corporation or the
21 trustee of a trust has an insurable interest in the lives of employees for whom
22 the benefits are to be provided and the corporation or trustee of a trust may
23 purchase, accept, or otherwise acquire an interest in personal insurance as a
24 beneficiary or owner. ~~The~~ Written consent of the insured individual is

1 required if the personal insurance purchased names the corporation or the
2 trustee of a trust as a beneficiary. ~~The consent requirement is satisfied if the~~
3 ~~insured individual is provided written notice of the coverage and does not~~
4 ~~reject the coverage within thirty days of receipt of the notice.~~

5 **SECTION 3. AMENDMENT.** Subdivision c of subsection 2 of section 26.1-37-01 of the
6 North Dakota Century Code is amended and reenacted as follows:

- 7 c. ~~Insurance on motor vehicles designed for highway use and on mobile homes~~
8 Private passenger motor vehicle insurance or mobile homeowner's insurance;

9 **SECTION 4. AMENDMENT.** Subdivision a of subsection 1 of section 26.1-38.1-03 of
10 the North Dakota Century Code is amended and reenacted as follows:

- 11 a. The life insurance and annuity account that includes the following
12 subaccounts:
- 13 (1) Life insurance account;
 - 14 (2) Annuity account, which includes annuity contracts owned by a
15 governmental retirement plan or its trustee established under
16 section 401, 403(b), or 457 of the United States Internal Revenue
17 Code, but otherwise excludes unallocated annuities; and
 - 18 (3) Unallocated annuity account that ~~includes~~ excludes contracts owned by
19 a governmental retirement benefit plan or its trustee established under
20 section 401, 403(b), or 457 of the United States Internal Revenue
21 Code.