

Sixty-first  
Legislative Assembly  
of North Dakota

## HOUSE BILL NO. 1068

Introduced by

Representatives Wald, Gruchalla, Boe, Ruby

Senators Olafson, Lyson

1 A BILL for an Act to amend and reenact subsection 58 of section 39-01-01, subsection 3 of  
2 section 39-16-05, sections 39-16.1-02 and 39-16.1-05, subsection 2 of section 39-16.1-11,  
3 section 39-16.1-15, and subsection 11 of section 39-24-09 of the North Dakota Century Code,  
4 relating to the amount of required coverage for proof of financial responsibility for motor  
5 vehicles, motor vehicle liability policies, and snowmobiles; and to provide an effective date.

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

7 **SECTION 1. AMENDMENT.** Subsection 58 of section 39-01-01 of the North Dakota  
8 Century Code is amended and reenacted as follows:

9 58. "Proof of financial responsibility" means proof of ability to respond in damages for  
10 liability, on account of accidents occurring subsequent to the effective date of said  
11 proof, arising out of the ownership, maintenance, or use of a motor vehicle, in the  
12 amount of ~~twenty-five~~ fifty thousand dollars because of bodily injury to or death of  
13 one person in any one accident, and, subject to said limit for one person, in the  
14 amount of ~~fifty~~ one hundred thousand dollars because of bodily injury to or death of  
15 two or more persons in any one accident, and in the amount of ~~ten~~ fifty thousand  
16 dollars because of injury to or destruction of property of others in any one accident.

17 **SECTION 2. AMENDMENT.** Subsection 3 of section 39-16-05 of the North Dakota  
18 Century Code is amended and reenacted as follows:

19 3. No such policy or bond is effective under this section unless by an insurance  
20 carrier or surety company authorized to do business in this state, except that if the  
21 motor vehicle was not registered in the state, or was a motor vehicle which was  
22 registered elsewhere than in this state at the effective date of the policy or bond, or  
23 the most recent renewal thereof, the policy or bond is not effective under this  
24 section unless the insurance carrier or surety company, if not authorized to do

business in this state, shall execute a power of attorney authorizing the director to accept service, on its behalf, of notice or process in any action upon the policy or bond arising out of the accident; provided, every such policy or bond is subject, if the accident has resulted in bodily injury or death, to a limit, exclusive of interest and costs, of not less than ~~twenty-five~~ fifty thousand dollars because of bodily injury to or death of one person in any one accident and, subject to the limit for one person, to a limit of not less than ~~fifty~~ one hundred thousand dollars because of bodily injury to or death of two or more persons in any one accident, and, if the accident has resulted in injury to or destruction of property to a limit of at least ~~twenty-five~~ fifty thousand dollars because of injury to or destruction of property of others in any one accident. Upon receipt of notice of the accident, the insurance carrier or surety company which issued the policy or bond shall furnish for filing with the director a written notice that the policy or bond was in effect at the time of the accident, or the department may rely upon the accuracy of the information and the required report of an accident as to the existence of insurance or a bond unless and until the department has reason to believe that the information is erroneous.

**SECTION 3. AMENDMENT.** Section 39-16.1-02 of the North Dakota Century Code is amended and reenacted as follows:

**39-16.1-02. Proof of financial responsibility defined.** "Proof of financial responsibility" means proof of ability to respond in damages for liability, on account of accidents occurring after the effective date of said proof, arising out of the ownership, maintenance, or use of a motor vehicle, in the amount of ~~twenty-five~~ fifty thousand dollars because of bodily injury to or death of one person in any one accident, and, subject to said limit for one person, in the amount of ~~fifty~~ one hundred thousand dollars because of bodily injury to or death of two or more persons in any one accident, and in the amount of ~~twenty-five~~ fifty thousand dollars because of injury to or destruction of property of others in any one accident.

**SECTION 4. AMENDMENT.** Section 39-16.1-05 of the North Dakota Century Code is amended and reenacted as follows:

**39-16.1-05. Satisfaction of judgment.** Judgments herein referred to must, for the purpose of this chapter only, be deemed satisfied:

1. When ~~twenty-five~~ fifty thousand dollars has been credited upon any judgment or judgments rendered in excess of that amount because of bodily injury to or death of one person as the result of any one accident;
2. When, subject to such limit of ~~twenty-five~~ fifty thousand dollars because of bodily injury to or death of one person, the sum of ~~fifty~~ one hundred thousand dollars has been credited upon any judgment or judgments rendered in excess of that amount because of bodily injury to or death of two or more persons as the result of any one accident; or
3. When ~~twenty-five~~ fifty thousand dollars has been credited upon any judgment or judgments rendered in excess of that amount because of damage to or destruction of property of others as a result of any one accident. Payments made in settlement of any claims because of bodily injury, death, or property damages arising from a motor vehicle accident must be credited in reduction of the amounts provided for in this section.

**SECTION 5. AMENDMENT.** Subsection 2 of section 39-16.1-11 of the North Dakota Century Code is amended and reenacted as follows:

2. Such owner's policy of liability insurance:
  - a. Must designate by explicit description or by appropriate reference all motor vehicles with respect to which coverage is thereby to be granted; and
  - b. Must insure the person named therein and any other person, as insured, using such motor vehicle or motor vehicles with the express or implied permission of such named insured, against loss from the liability imposed by law for damages arising out of the ownership, maintenance, or use of such motor vehicles within the United States of America or the Dominion of Canada, subject to limits exclusive of interest and costs, with respect to each such motor vehicle, as follows: ~~twenty-five~~ fifty thousand dollars because of bodily injury to or death of one person in any one accident and subject to said limit for one person, ~~fifty~~ one hundred thousand dollars because of bodily injury to or death of two or more persons in any one accident, and ~~twenty-five~~ fifty thousand dollars because of injury to or destruction of property of others in any one accident.

1           **SECTION 6. AMENDMENT.** Section 39-16.1-15 of the North Dakota Century Code is  
2 amended and reenacted as follows:

3           **39-16.1-15. Deposit of cash with the Bank of North Dakota.**

- 4           1. Proof of financial responsibility may be evidenced by the certificate of the Bank of  
5 North Dakota that the person named therein has deposited with it ~~twenty-five~~ fifty  
6 thousand dollars in cash, or securities such as may legally be purchased by  
7 savings banks or for trust funds of a market value of ~~twenty-five~~ fifty thousand  
8 dollars. The Bank of North Dakota may not accept any such deposit and issue a  
9 certificate therefor and the director may not accept such certificate unless  
10 accompanied by evidence that there are no unsatisfied judgments of any character  
11 against the depositor in the county where the depositor resides.
- 12          2. Such deposit must be held by the Bank of North Dakota to satisfy, in accordance  
13 with the provisions of this chapter, any execution on a judgment issued against  
14 such person making the deposit for damages, including damages for care and loss  
15 of services, because of bodily injury to or death of any person, or for damages  
16 because of damages to or destruction of property, including the loss of use thereof,  
17 resulting from the ownership, maintenance, use, or operation of a motor vehicle  
18 after such deposit was made. Money or securities so deposited are not subject to  
19 attachment or execution unless such attachment or execution arises out of a suit  
20 for damages as aforesaid.

21           **SECTION 7. AMENDMENT.** Subsection 11 of section 39-24-09 of the North Dakota  
22 Century Code is amended and reenacted as follows:

- 23          11. A person may not operate a snowmobile, and an owner of a snowmobile may not  
24 knowingly permit the snowmobile to be operated, upon any property maintained,  
25 leased, or owned by the state parks and recreation department to which the public  
26 has a right of access for snowmobile or other vehicular use, without a policy of  
27 liability insurance which insures the person named, and any person using the  
28 snowmobile with the express or implied permission of the person named, against  
29 loss from the liability imposed by law for damages arising out of the ownership,  
30 maintenance, or use of the snowmobile within this state, subject to the following  
31 limits, exclusive of interest and costs, with respect to each snowmobile: ~~twenty-five~~

1            fifty thousand dollars because of bodily injury to or death of one person in any one  
2            accident and, subject to the limit for one person, ~~fifty~~ one hundred thousand dollars  
3            because of bodily injury to or death of two or more persons in any one accident,  
4            and ~~twenty-five~~ fifty thousand dollars because of injury to or destruction of property  
5            of others in any one accident. Upon request of a law enforcement officer, a person  
6            operating a snowmobile shall provide proof of liability insurance to that officer  
7            within twenty days.

8            **SECTION 8. EFFECTIVE DATE.** This Act becomes effective on August 1, 2010.