

HOUSE BILL NO. 1308

Introduced by

Representatives Vigesaa, Frantsvog, Monson, Delmore

Senators Hogue, Klein, Wanzek

1 A BILL for an Act to amend and reenact section 26.1-40-17 of the North Dakota Century Code,
2 relating to establishment of primary and excess automobile liability coverages for rental
3 vehicles.

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

5 **SECTION 1. AMENDMENT.** Section 26.1-40-17 of the North Dakota Century Code is
6 amended and reenacted as follows:

7 **26.1-40-17. Establishment of primary and excess automobile liability coverages in**
8 **certain instances.**

9 When an automobile insurance policy which includes only automobile liability coverage,
10 uninsured motorist coverage, underinsured motorist coverage, automobile medical payments
11 coverage, and basic or optional excess no-fault benefits is in force for anyone engaged in the
12 business of selling, repairing, servicing, storing, leasing, renting, or parking motor vehicles and
13 the owner of the vehicles loans, rents, or leases a vehicle to any other person or organization
14 and the vehicle is involved in an accident out of which bodily injury or property damage arises,
15 the following is applicable:

- 16 1. If no other automobile insurance policy is in force at the time of the accident for the
17 person or organization to whom the vehicle was loaned, rented, or leased, the
18 coverage provided by the motor vehicle owner's automobile policy extends to the
19 borrower, rentee, or lessee in the event the owner's automobile insurance policy
20 extends coverage to the borrower, rentee, or lessee.
- 21 2. If another automobile insurance policy is in force for the person or organization to
22 whom the vehicle was loaned, rented, or leased, any coverage provided by the motor
23 vehicle owner's automobile insurance policy is excess coverage only but limited,
24 however, by the terms of the owner's applicable automobile insurance policy. The

- 1 policy afforded the person or organization to whom the vehicle was loaned, rented, or
- 2 leased is primary.
- 3 Any policy provisions at variance with this section must be interpreted so as to comply with this
- 4 section.