## Sixty-second Legislative Assembly of North Dakota In Regular Session Commencing Tuesday, January 4, 2011

HOUSE BILL NO. 1308 (Representatives Vigesaa, Frantsvog, Monson, Delmore) (Senators Hogue, Klein, Wanzek)

AN ACT to amend and reenact section 26.1-40-17 of the North Dakota Century Code, relating to establishment of primary and excess automobile liability coverages for rental vehicles.

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

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

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

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

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

Any policy provisions at variance with this section must be interpreted so as to comply with this section.

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	Speaker of the House			President of the Senate	
	Chief C	lerk of the House		Secretary of the Senate	
				Representatives of ls of that body as Ho	
House Vote:	Yeas 80	Nays 10	Absent 4		
Senate Vote:	Yeas 45	Nays 2	Absent 0		
				Chief Clerk of the I	House
Received by the Governor atM. on					, 2011.
Approved at	M. on				, 2011.
				Governor	
Filed in this office thisday of					, 2011,
at o'	'clock	M.			
				Secretary of State	