

**HOUSE BILL NO. 1310**

Introduced by

Representatives Monson, Keiser

Senators Campbell, Klein

1 A BILL for an Act to amend and reenact section 26.1-13-15 of the North Dakota Century Code,  
2 relating to the territorial limits of a county mutual company's operations.

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

4 **SECTION 1. AMENDMENT.** Section 26.1-13-15 of the North Dakota Century Code is  
5 amended and reenacted as follows:

6 **26.1-13-15. Territorial limits of county mutual company's operations - Terms of**  
7 **policies - Property insurable.**

8 1. A county mutual insurance company may not insure any property beyond the  
9 company's authorized territory of operation except as provided in subsection 3 of  
10 section 26.1-13-12 and except that this territorial limitation does not apply to  
11 reinsurance contracts.

12 2. A policy may not be issued to exceed five years.

13 3. A policy may not be issued covering property located within the platted limits of an  
14 incorporated city in this state, except the policy may provide coverage as specified  
15 under sections 26.1-13-14 and 26.1-13-16 within the platted limits of the incorporated  
16 city on:

17 a. The place of residence; or

18 b. A rental property that is no larger than a four residential rental unit.

19 4. The company may insure all property located outside of incorporated cities within the  
20 limits of the company's territory ~~comprised in the formation of the company, as~~  
21 provided under section 26.1-13-02.

22 5. Policies issued under subsection 3 on property located within the platted limits of an  
23 incorporated city with a population over ten thousand must conform to rules adopted  
24 by the commissioner establishing requirements for underwriting risks and

- 1           safeguarding financial solvency. A ~~company may not exceed thirty-five percent of the~~  
2           company's ~~gross~~net written premiums of the ~~previous~~current year ~~for~~in cities with a  
3           population over ten thousand may not exceed thirty-five percent of the ~~gross~~net written  
4           premiums ~~in cities with a population over ten thousand~~of the previous year.
- 5       6.   A policy issued by the company, if it so provides, may cover loss or damage to  
6           livestock, personal property, vehicles, and farm machinery while temporarily removed  
7           from the premises of the insured to other locations.