

Sixty-fifth  
Legislative Assembly  
of North Dakota

**HOUSE BILL NO. 1198**

Introduced by

Representatives Nathe, Bosch

Senator D. Larson

1 A BILL for an Act to amend and reenact section 26.1-39-23 of the North Dakota Century Code,  
2 relating to property and casualty insurance binders.

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

4 **SECTION 1. AMENDMENT.** Section 26.1-39-23 of the North Dakota Century Code is  
5 amended and reenacted as follows:

6 **26.1-39-23. Temporary insurance - Use of binders.**

7 A binder or contract for ~~temporary farm and personal~~property and casualty lines of  
8 insurance may be made orally or in writing and is deemed to include all the terms of a standard  
9 fire insurance policy and all applicable endorsements as may be designated in the binder.  
10 However, the cancellation clause of the standard fire insurance policy and the clause specifying  
11 the hour of the day at which the insurance commences may be superseded by the express  
12 terms of the binder. A duly authorized binder must be accepted as evidence of insurance  
13 coverage required as a condition of financing the purchase of property, except that a mortgagee  
14 or lender is not required to accept a renewal or extension of the binder. Any insurance producer  
15 who has express authority to bind ~~farm and personal~~property and casualty lines of insurance  
16 coverage, and who orally agrees on behalf of an insurer to provide insurance coverage, if  
17 requested, shall execute and deliver a written memorandum or binder containing the terms of  
18 the oral agreement to the insured within three business days from the time of the oral  
19 agreement.