17.0557.03000

Sixty-fifth Legislative Assembly of North Dakota

## FIRST ENGROSSMENT with Senate Amendments ENGROSSED HOUSE BILL NO. 1247

Introduced by

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Representatives Keiser, Kasper

- 1 A BILL for an Act to amend and reenact subsection 4 of section 26.1-39-11, section 26.1-39-20,
- 2 subsection 5 of section 26.1-40-01, and section 26.1-40-09 of the North Dakota Century Code,
- 3 relating to termination of insurance and duplicate property insurance coverage.

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

SECTION 1. AMENDMENT. Subsection 4 of section 26.1-39-11 of the North Dakota
 Century Code is amended and reenacted as follows:

4. "Termination" means either a cancellation or nonrenewal of property insurance coverage in whole or in part. A cancellation occurs during the policy term. A nonrenewal Nonrenewal occurs at the end of the policy term as set forth in subsection 3. For purposes of sections 26.1-39-10 through 26.1-39-21, the transfer of a policy between companies within the same insurance holding company system is not a termination. Requiring a reasonable deductible, reasonable changes in the amount of insurance, or reasonable reductions in policy limits or coverage is not considered a termination if the requirements are directly related to the hazard involved and are made on the renewal date for the policy.

**SECTION 2. AMENDMENT.** Section 26.1-39-20 of the North Dakota Century Code is amended and reenacted as follows:

26.1-39-20. Duplicate coverage <u>- Termination of coverage when another policy in force - Notice</u>.

If Notwithstanding the failure of an insurer to comply with sections 26.1-39-13 through 26.1-39-16, if an insured obtains a replacement policy that provides providing equal or more extensive coverage for anya property covered in both policies, the first insurer's coverage of the that property may be terminated either by cancellation or nonrenewal. The termination is effective on the effective date of the second policy providing duplicate replacement coverage.

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1 Upon termination, the insured is entitled to a refund of the premium and written notice must be 2 mailed or delivered to the named insured. 3 SECTION 3. AMENDMENT. Subsection 5 of section 26.1-40-01 of the North Dakota 4 Century Code is amended and reenacted as follows: 5 "Termination" means either a cancellation or nonrenewal of automobile insurance 6 coverage in whole or in part. A cancellation Cancellation occurs during the policy term. 7 A nonrenewal Nonrenewal occurs at the end of the policy term. An insurer's 8 substitution of insurance upon renewal which results in substantially equivalent 9 coverage is not a termination. The transfer of a policy between companies within the 10 same insurance holding company system is not a termination. 11 SECTION 4. AMENDMENT. Section 26.1-40-09 of the North Dakota Century Code is 12 amended and reenacted as follows: 13 26.1-40-09. Duplicate coverage - Termination of coverage when another policy in 14 force - Notice. 15 Notwithstanding the failure of an insurer to comply with sections 26.1-40-01 through 16 26.1-40-12, termination of any coverage under the policy either by cancellation or nonrenewal is-17 effective on the effective date of any other policy providing similar coverage on the same motor-18 vehicle or any replacement of the motor vehicle if an insured obtains a replacement policy 19 providing equal or more extensive coverage for a motor vehicle covered in both policies, the 20 first insurer's coverage of that motor vehicle may be terminated either by cancellation or

nonrenewal. The termination is effective on the effective date of the second policy providing

duplicate replacement coverage. Upon termination, the insured is entitled to a refund of the

premium and written notice must be mailed or delivered to the named insured.