

January 21, 2025

**RE: OPPOSE [HB1243](#), Total Loss**

The American Property Casualty Insurance Association (APCIA) represents nearly 60 percent of the U.S. property casualty insurance market. APCIA's mission is to promote and protect the viability of private competition for the benefit of consumers and insurers. APCIA represents the broadest cross-section of home, auto, and business insurers of any national trade association. In North Dakota, APCIA's members write more than \$9.1 billion in property and casualty insurance premiums. We respectfully submit the following comments in **opposition to HB1243**.

It is important to remember that insurers are here to help people during some of the worst times in their lives, such as after an accident. Providing support and assistance in these challenging moments is crucial, and we must ensure that any new provisions do not unintentionally complicate the support systems already in place. A clear and fair approach is necessary to maintain that trust and support.

There are two parts to HB 1243. The first part gives the vehicle owner the choice to retain the totaled vehicle. While it is not always advisable for the owner to do so, we don't find that unreasonable. The second part of the bill prohibits an insurer from requiring the insurer to pay for or reducing a settlement for "the return" of the vehicle. It is unclear whether this means that the insurer will be required to cover expenses related to moving the vehicle from a salvage yard or a repair shop without limitation. If an accident occurs far from home, the cost to return the vehicle to the owner's home could exceed its value. This could lead to increased costs for insurance that may ultimately be passed on to policyholders.

APCIA is committed to seeking commonsense solutions that work to decrease auto insurance costs rather than increase them, as we believe is the case with proposal HB1243. It is vital that any changes made prioritize the financial stability of both insurers and policyholders, ensuring that coverage remains accessible and affordable. In conclusion, while the intention may be to provide flexibility to the insured, the execution of this provision lacks clarity and could create unnecessary burdens on both insurers and policyholders. I urge the consideration of these points as we move forward with discussions on this matter.

As it's currently written APCIA respectfully asks the committee to vote **"NO" on HB1243**. APCIA looks forward to working with the legislators on finding commonsense solutions that help decrease insurance costs for consumers not increase them.



Respectfully,

Brooke Kelley

*Brooke Kelley*

Assistant Vice President, State Government Relations  
American Property Casualty Insurance Association