

Fifty-eighth  
Legislative Assembly  
of North Dakota

## ENGROSSED SENATE BILL NO. 2275

Introduced by

Senators Fischer, Heitkamp, J. Lee

Representatives Delmore, Hawken, Nottestad

1 A BILL for an Act to amend and reenact section 26.1-41-13 of the North Dakota Century Code,  
2 relating to coordination of benefits for automobile insurance; and to provide an effective date.

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

4 **SECTION 1. AMENDMENT.** Section 26.1-41-13 of the North Dakota Century Code is  
5 amended and reenacted as follows:

6 **26.1-41-13. Priority of applicable security - Coordination of benefits.**

- 7 1. A basic no-fault insurer has the primary obligation to make payment for economic  
8 loss because of accidental bodily injury arising out of the operation of a motor  
9 vehicle; provided, that the amount of all benefits a claimant recovered or is entitled  
10 to recover for the same elements of loss under any workers' compensation law  
11 must be subtracted from the basic no-fault benefits otherwise payable for the  
12 injury.
- 13 2. As between applicable security basic no-fault benefits are payable as follows:
- 14 a. As to any person injured while occupying a secured motor vehicle, or injured  
15 as a pedestrian by a secured motor vehicle, the basic no-fault insurer of the  
16 secured motor vehicle shall pay the benefits.
- 17 b. As to any person who is injured while occupying an unsecured motor vehicle,  
18 or while being struck as a pedestrian by an unsecured motor vehicle, the  
19 basic no-fault insurer affording the benefits to the injured person shall pay the  
20 benefits.
- 21 c. As to any person injured while occupying a bus that is a secured motor  
22 vehicle, the basic no-fault insurer affording benefits to the injured person as  
23 the owner of a secured motor vehicle or as a relative of the owner of a  
24 secured motor vehicle shall pay the benefits; and, if there is no basic no-fault

1 insurer affording benefits to the injured person, then the basic no-fault insurer  
2 of the bus shall pay the benefits.

3 d. As to any person injured while occupying a secured motor vehicle that is  
4 transporting persons under a ridesharing arrangement, as defined in section  
5 8-02-07, the basic no-fault insurer affording benefits to the injured person as  
6 the owner of a secured motor vehicle or as a relative of the owner of a  
7 secured motor vehicle shall pay the benefits; and, if there is no basic no-fault  
8 insurer affording benefits to the injured person, then the basic no-fault insurer  
9 of the secured motor vehicle shall pay the benefits.

10 3. An insurer, health maintenance organization, or nonprofit health service  
11 corporation, other than a basic no-fault insurer, authorized to do business in this  
12 state may coordinate any benefits it is obligated to pay for economic loss incurred  
13 as a result of accidental bodily injury, with the first ~~five~~ ten thousand dollars of  
14 basic no-fault benefits. A basic no-fault insurer authorized to do business in this  
15 state may coordinate any benefits it is obligated to pay for medical expenses  
16 incurred as a result of accidental bodily injury in excess of ~~five~~ ten thousand  
17 dollars. An insurer, health maintenance organization, or nonprofit health service  
18 corporation, other than a basic no-fault insurer, may not coordinate benefits unless  
19 it provides those persons who purchase benefits from it with an equitable reduction  
20 or savings in the direct or indirect cost of purchased benefits. The commissioner  
21 shall approve any coordination of benefits plan.

22 **SECTION 2. AMENDMENT.** Section 26.1-41-13 of the North Dakota Century Code is  
23 amended and reenacted as follows:

24 **26.1-41-13. Priority of applicable security - Coordination of benefits.**

25 1. A basic no-fault insurer has the primary obligation to make payment for economic  
26 loss because of accidental bodily injury arising out of the operation of a motor  
27 vehicle; provided, that the amount of all benefits a claimant recovered or is entitled  
28 to recover for the same elements of loss under any workers' compensation law  
29 must be subtracted from the basic no-fault benefits otherwise payable for the  
30 injury.

31 2. As between applicable security basic no-fault benefits are payable as follows:

- 1           a. As to any person injured while occupying a secured motor vehicle, or injured  
2           as a pedestrian by a secured motor vehicle, the basic no-fault insurer of the  
3           secured motor vehicle shall pay the benefits.
- 4           b. As to any person who is injured while occupying an unsecured motor vehicle,  
5           or while being struck as a pedestrian by an unsecured motor vehicle, the  
6           basic no-fault insurer affording the benefits to the injured person shall pay the  
7           benefits.
- 8           c. As to any person injured while occupying a bus that is a secured motor  
9           vehicle, the basic no-fault insurer affording benefits to the injured person as  
10          the owner of a secured motor vehicle or as a relative of the owner of a  
11          secured motor vehicle shall pay the benefits; and, if there is no basic no-fault  
12          insurer affording benefits to the injured person, then the basic no-fault insurer  
13          of the bus shall pay the benefits.
- 14          d. As to any person injured while occupying a secured motor vehicle that is  
15          transporting persons under a ridesharing arrangement, as defined in section  
16          8-02-07, the basic no-fault insurer affording benefits to the injured person as  
17          the owner of a secured motor vehicle or as a relative of the owner of a  
18          secured motor vehicle shall pay the benefits; and, if there is no basic no-fault  
19          insurer affording benefits to the injured person, then the basic no-fault insurer  
20          of the secured motor vehicle shall pay the benefits.
- 21          3. ~~An insurer, health maintenance organization, or nonprofit health service~~  
22          ~~corporation, other than a basic no fault insurer, authorized to do business in this~~  
23          ~~state may coordinate any benefits it is obligated to pay for economic loss incurred~~  
24          ~~as a result of accidental bodily injury, with the first five thousand dollars of basic~~  
25          ~~no fault benefits. A basic no fault insurer authorized to do business in this state~~  
26          ~~may coordinate any benefits it is obligated to pay for medical expenses incurred as~~  
27          ~~a result of accidental bodily injury in excess of five thousand dollars. An insurer,~~  
28          ~~health maintenance organization, or nonprofit health service corporation, other~~  
29          ~~than a basic no fault insurer, may not coordinate benefits unless it provides those~~  
30          ~~persons who purchase benefits from it with an equitable reduction or savings in the~~

1                   ~~direct or indirect cost of purchased benefits. The commissioner shall approve any~~  
2                   ~~coordination of benefits plan.~~

3                   **SECTION 3. EFFECTIVE DATE.** Section 2 of this Act becomes effective on August 1,  
4                   2005.