

HOUSE BILL NO. 1142

Introduced by

Industry, Business and Labor Committee

(At the request of the Insurance Commissioner)

1 A BILL for an Act to create and enact section 26.1-25-04.4 of the North Dakota Century Code,
2 relating to withdrawal of insurance companies; to amend and reenact subsection 1 of section
3 26.1-30.1-06 and subsection 1 of section 26.1-39-16 of the North Dakota Century Code,
4 relating to nonrenewal of commercial and homeowner's insurance; and to repeal sections
5 26.1-01-06, 26.1-03-12, 26.1-03-13, 26.1-03-14, and 26.1-03-15 of the North Dakota Century
6 Code, relating to product liability and legal malpractice reports.

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

8 **SECTION 1.** Section 26.1-25-04.4 of the North Dakota Century Code is created and
9 enacted as follows:

10 **26.1-25-04.4. Notice of withdrawal.** An insurer must provide the commissioner prior
11 notice in writing of its plan to cease writing and renewing a property and casualty insurance
12 product. The notice must contain the effective date of the plan, the number of policies affected,
13 and the reason therefor.

14 **SECTION 2. AMENDMENT.** Subsection 1 of section 26.1-30.1-06 of the North Dakota
15 Century Code is amended and reenacted as follows:

16 1. An insurer shall renew the policy, unless at least ~~thirty~~ sixty days prior to the date
17 of expiration provided in the policy, a notice of intention not to renew the policy
18 beyond the agreed expiration date is made to the policyholder. The insurer shall
19 include a statement of the reasons for a nonrenewal with the notice.

20 **SECTION 3. AMENDMENT.** Subsection 1 of section 26.1-39-16 of the North Dakota
21 Century Code is amended and reenacted as follows:

22 1. No insurer may fail to renew a property insurance policy unless a written notice of
23 nonrenewal is mailed or delivered to the named insured, at the last-known address
24 of the named insured, at least ~~thirty~~ sixty days prior to the expiration date of the

1 policy, except that when the policy provides professional liability coverage for legal
2 and medical services, the nonrenewal notice must be mailed or delivered at least
3 ninety days prior to the policy expiration date. A postal service certificate of mailing
4 to the named insured at the insured's last-known address is conclusive proof of
5 mailing and receipt on the third calendar day after the mailing.

6 **SECTION 4. REPEAL.** Sections 26.1-01-06, 26.1-03-12, 26.1-03-13, 26.1-03-14, and
7 26.1-03-15 of the North Dakota Century Code are repealed.