

**Fifty-eighth Legislative Assembly of North Dakota
In Regular Session Commencing Tuesday, January 7, 2003**

HOUSE BILL NO. 1139
(Industry, Business and Labor Committee)
(At the request of the Insurance Commissioner)

AN ACT to create and enact a new subsection to section 26.1-33-11 of the North Dakota Century Code, relating to interest paid on death claims by insurance companies; and to amend and reenact subdivision e of subsection 3 of section 26.1-29-09.1, subdivision c of subsection 2 of section 26.1-37-01, and subdivision a of subsection 1 of section 26.1-38.1-03 of the North Dakota Century Code, relating to insurable interest in personal insurance, credit insurance on motor vehicles, and life insurance and annuity accounts maintained by the life and health insurance guaranty association.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. A new subsection to section 26.1-33-11 of the North Dakota Century Code is created and enacted as follows:

A provision that the settlement of a death claim must be made upon receipt of due proof of death, or not later than two months after receipt of the proof of death, and must include reasonable interest accrued from the date of death so long as a proof of death is filed within one hundred eighty days after the date of the death.

SECTION 2. AMENDMENT. Subdivision e of subsection 3 of section 26.1-29-09.1 of the North Dakota Century Code is amended and reenacted as follows:

- e. In the case of a corporation or the trustee of a trust providing life, health, disability, retirement, or similar benefits to employees of one or more corporations, and acting in a fiduciary capacity with respect to the employees, retired employees, or their dependents or beneficiaries, a corporation or the trustee of a trust has an insurable interest in the lives of employees for whom the benefits are to be provided and the corporation or trustee of a trust may purchase, accept, or otherwise acquire an interest in personal insurance as a beneficiary or owner. ~~The Written consent of the insured individual is required if the personal insurance purchased names the corporation or the trustee of a trust as a beneficiary. The consent requirement is satisfied if the insured individual is provided written notice of the coverage and does not reject the coverage within thirty days of receipt of the notice.~~

SECTION 3. AMENDMENT. Subdivision c of subsection 2 of section 26.1-37-01 of the North Dakota Century Code is amended and reenacted as follows:

- c. ~~Insurance on motor vehicles designed for highway use and on mobile homes~~ Private passenger motor vehicle insurance or mobile homeowner's insurance;

SECTION 4. AMENDMENT. Subdivision a of subsection 1 of section 26.1-38.1-03 of the North Dakota Century Code is amended and reenacted as follows:

- a. The life insurance and annuity account that includes the following subaccounts:
 - (1) Life insurance account;
 - (2) Annuity account, which includes annuity contracts owned by a governmental retirement plan or its trustee established under section 401, 403(b), or 457 of

the United States Internal Revenue Code, but otherwise excludes unallocated annuities; and

- (3) Unallocated annuity account that ~~includes~~ excludes contracts owned by a governmental retirement benefit plan or its trustee established under section 401, 403(b), or 457 of the United States Internal Revenue Code.

Speaker of the House

President of the Senate

Chief Clerk of the House

Secretary of the Senate

This certifies that the within bill originated in the House of Representatives of the Fifty-eighth Legislative Assembly of North Dakota and is known on the records of that body as House Bill No. 1139.

House Vote: Yeas 93 Nays 0 Absent 1

Senate Vote: Yeas 44 Nays 0 Absent 3

Chief Clerk of the House

Received by the Governor at _____ M. on _____, 2003.

Approved at _____ M. on _____, 2003.

Governor

Filed in this office this _____ day of _____, 2003,

at _____ o'clock _____ M.

Secretary of State