

SENATE BILL NO. 2224

Introduced by

Senator Klein

Representative Wald

1 A BILL for an Act to amend and reenact sections 26.1-32-01 and 26.1-32-03 of the North
2 Dakota Century Code, relating to liability of the insurer for loss.

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

4 **SECTION 1. AMENDMENT.** Section 26.1-32-01 of the North Dakota Century Code is
5 amended and reenacted as follows:

6 **26.1-32-01. Liability of insurer for loss - Proximate and remote cause.** An insurer
7 is liable for a loss proximately caused by a peril insured against even though a peril not
8 contemplated by the insurance contract may have been a remote cause of the loss. An insurer
9 is not liable for a loss of which the peril insured against was only a remote cause. The efficient
10 proximate cause doctrine applies only if separate, distinct, and totally unrelated causes
11 contribute to the loss.

12 **SECTION 2. AMENDMENT.** Section 26.1-32-03 of the North Dakota Century Code is
13 amended and reenacted as follows:

14 **26.1-32-03. Insurer not liable for excepted peril.** When a peril is excepted specially
15 in an insurance contract, a loss which would not have occurred but for that peril is excepted
16 although the immediate cause of the loss was a peril which was not excepted. An insurer may
17 contract out of the efficient proximate cause doctrine.