

SENATE BILL NO. 2396

Introduced by

Senator Bercier

1 A BILL for an Act to create and enact a new section to chapter 26.1-40 and two new sections to
2 chapter 51-07 of the North Dakota Century Code, relating to prohibitions on improper practices
3 by insurance companies, price fixing, and certain automobile repair practices; and to provide a
4 penalty.

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

6 **SECTION 1.** A new section to chapter 26.1-40 of the North Dakota Century Code is
7 created and enacted as follows:

8 **Prohibited insurance practice.** An insurer that issues or renews an insurance policy
9 in this state which provides coverage of a motor vehicle may not:

- 10 1. Require that a person insured under the policy use a particular repair company or
11 location for providing automobile repair, including glass replacement or repairs.
- 12 2. Engage in any act or practice of intimidation, coercion, or threat for or against an
13 insured person to use a particular repair company or location to provide automobile
14 repair, including glass replacement or repair services.
- 15 3. Establish an agreement with any person to act as a broker for the insurer under
16 which the broker sets a price that must be met by the repair company as a
17 condition for doing automobile repair, including glass replacement or repair for the
18 insurer.
- 19 4. Establish an agreement with any person which requires a repair company to bill
20 through that person as a condition of doing automobile repair, including glass
21 replacement or repair work.

22 **SECTION 2.** A new section to chapter 51-07 of the North Dakota Century Code is
23 created and enacted as follows:

1 **Price fixing.** Any agreement between competitors regarding price is considered price
2 fixing and is prohibited. Prohibited agreements include an agreement to adhere to a price book,
3 engage in cooperative price advertising, standardize credit terms offered to purchasers, use
4 uniform trade-in allowances, utilize standard cash downpayment requirements, limit discounts,
5 discontinue free service, fix any element of prices, use a specific method of quoting prices, use
6 a multiple-basing, point-pricing system, adhere to previously announced prices and terms of
7 sale, establish uniform costs and markups, impose mandatory surcharges, specify price
8 differentials between grades of a product, and adopt common classifications of customers
9 entitled to discounts and the percentage of functional discounts.

10 **SECTION 3.** A new section to chapter 51-07 of the North Dakota Century Code is
11 created and enacted as follows:

12 **Prohibited automobile repair practices - Penalty.**

- 13 1. A person engaged in automobile repair, including the sale, repair, or replacement
14 of automobile glass, may:
- 15 a. Advertise, promise to provide, or offer any coupon, credit, or rebate to pay any
16 part of an insurance deductible under an insurance policy covering an
17 automobile up to one hundred dollars; and
 - 18 b. Pay a sum or incentive to a person for directing automobile repair, including
19 glass replacement or repair services up to one hundred dollars.
- 20 2. A person engaged in automobile repair, including the sale, repair, or replacement
21 of automobile glass, may advertise services as to quality, service, and safety.
- 22 3. A person may not manage, handle, or arrange automobile repair, including glass
23 replacement or repair work, for which one person retains a set fee or charges a
24 percentage of the claim paid by the insurer.
- 25 4. A willful violation of this section is a class B misdemeanor.