

HOUSE BILL NO. 1274

Introduced by

Representatives Carlson, Dahl, Price

Senators Holmberg, Krebsbach, Oehlke

1 A BILL for an Act to amend and reenact subsection 3 of section 26.1-17-33.1 of the North
2 Dakota Century Code, relating to the payment of dividends by a nonprofit mutual insurance
3 company.

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

5 **SECTION 1. AMENDMENT.** Subsection 3 of section 26.1-17-33.1 of the North Dakota
6 Century Code is amended and reenacted as follows:

7 3. The nonprofit corporation laws apply to the operation and control of a nonprofit
8 mutual insurance company converted from a nonprofit health service corporation
9 under this section and supersede any conflicting provisions in title 26.1 unless
10 title 26.1 is more restrictive. Except as authorized in subsections 4 and 5, a
11 nonprofit mutual insurance company may not sell, lease, transfer, or dispose of all
12 or substantially all property or assets, and may not merge or consolidate with, or
13 acquire, a stock insurance company or agency, for-profit subsidiary, or any other
14 corporation. Except as provided in subsection 5, a nonprofit mutual insurance
15 company may not ~~pay dividends or~~ issue stock.