

HOUSE BILL NO. 1068

Introduced by

Representatives Wald, Gruchalla, Boe, Ruby

Senators Olafson, Lyson

1 A BILL for an Act to amend and reenact subsection 58 of section 39-01-01, subsection 3 of
2 section 39-16-05, sections 39-16.1-02 and 39-16.1-05, subsection 2 of section 39-16.1-11,
3 section 39-16.1-15, and subsection 11 of section 39-24-09 of the North Dakota Century Code,
4 relating to the amount of required coverage for proof of financial responsibility for motor
5 vehicles, motor vehicle liability policies, and snowmobiles; and to provide an effective date.

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

7 **SECTION 1. AMENDMENT.** Subsection 58 of section 39-01-01 of the North Dakota
8 Century Code is amended and reenacted as follows:

9 58. "Proof of financial responsibility" means proof of ability to respond in damages for
10 liability, on account of accidents occurring subsequent to the effective date of said
11 proof, arising out of the ownership, maintenance, or use of a motor vehicle, in the
12 amount of ~~twenty-five~~ fifty thousand dollars because of bodily injury to or death of
13 one person in any one accident, and, subject to said limit for one person, in the
14 amount of ~~fifty~~ one hundred thousand dollars because of bodily injury to or death of
15 two or more persons in any one accident, and in the amount of ~~ten~~ fifty thousand
16 dollars because of injury to or destruction of property of others in any one accident.

17 **SECTION 2. AMENDMENT.** Subsection 3 of section 39-16-05 of the North Dakota
18 Century Code is amended and reenacted as follows:

19 3. No such policy or bond is effective under this section unless by an insurance
20 carrier or surety company authorized to do business in this state, except that if the
21 motor vehicle was not registered in the state, or was a motor vehicle which was
22 registered elsewhere than in this state at the effective date of the policy or bond, or
23 the most recent renewal thereof, the policy or bond is not effective under this
24 section unless the insurance carrier or surety company, if not authorized to do

1 business in this state, shall execute a power of attorney authorizing the director to
2 accept service, on its behalf, of notice or process in any action upon the policy or
3 bond arising out of the accident; provided, every such policy or bond is subject, if
4 the accident has resulted in bodily injury or death, to a limit, exclusive of interest
5 and costs, of not less than ~~twenty-five~~ fifty thousand dollars because of bodily
6 injury to or death of one person in any one accident and, subject to the limit for one
7 person, to a limit of not less than ~~fifty~~ one hundred thousand dollars because of
8 bodily injury to or death of two or more persons in any one accident, and, if the
9 accident has resulted in injury to or destruction of property to a limit of at least
10 ~~twenty-five~~ fifty thousand dollars because of injury to or destruction of property of
11 others in any one accident. Upon receipt of notice of the accident, the insurance
12 carrier or surety company which issued the policy or bond shall furnish for filing
13 with the director a written notice that the policy or bond was in effect at the time of
14 the accident, or the department may rely upon the accuracy of the information and
15 the required report of an accident as to the existence of insurance or a bond unless
16 and until the department has reason to believe that the information is erroneous.

17 **SECTION 3. AMENDMENT.** Section 39-16.1-02 of the North Dakota Century Code is
18 amended and reenacted as follows:

19 **39-16.1-02. Proof of financial responsibility defined.** "Proof of financial
20 responsibility" means proof of ability to respond in damages for liability, on account of accidents
21 occurring after the effective date of said proof, arising out of the ownership, maintenance, or
22 use of a motor vehicle, in the amount of ~~twenty-five~~ fifty thousand dollars because of bodily
23 injury to or death of one person in any one accident, and, subject to said limit for one person, in
24 the amount of ~~fifty~~ one hundred thousand dollars because of bodily injury to or death of two or
25 more persons in any one accident, and in the amount of ~~twenty-five~~ fifty thousand dollars
26 because of injury to or destruction of property of others in any one accident.

27 **SECTION 4. AMENDMENT.** Section 39-16.1-05 of the North Dakota Century Code is
28 amended and reenacted as follows:

29 **39-16.1-05. Satisfaction of judgment.** Judgments herein referred to must, for the
30 purpose of this chapter only, be deemed satisfied:

- 1 1. When ~~twenty-five~~ fifty thousand dollars has been credited upon any judgment or
2 judgments rendered in excess of that amount because of bodily injury to or death
3 of one person as the result of any one accident;
- 4 2. When, subject to such limit of ~~twenty-five~~ fifty thousand dollars because of bodily
5 injury to or death of one person, the sum of ~~fifty~~ one hundred thousand dollars has
6 been credited upon any judgment or judgments rendered in excess of that amount
7 because of bodily injury to or death of two or more persons as the result of any one
8 accident; or
- 9 3. When ~~twenty-five~~ fifty thousand dollars has been credited upon any judgment or
10 judgments rendered in excess of that amount because of damage to or destruction
11 of property of others as a result of any one accident. Payments made in settlement
12 of any claims because of bodily injury, death, or property damages arising from a
13 motor vehicle accident must be credited in reduction of the amounts provided for in
14 this section.

15 **SECTION 5. AMENDMENT.** Subsection 2 of section 39-16.1-11 of the North Dakota
16 Century Code is amended and reenacted as follows:

- 17 2. Such owner's policy of liability insurance:
 - 18 a. Must designate by explicit description or by appropriate reference all motor
19 vehicles with respect to which coverage is thereby to be granted; and
 - 20 b. Must insure the person named therein and any other person, as insured,
21 using such motor vehicle or motor vehicles with the express or implied
22 permission of such named insured, against loss from the liability imposed by
23 law for damages arising out of the ownership, maintenance, or use of such
24 motor vehicles within the United States of America or the Dominion of
25 Canada, subject to limits exclusive of interest and costs, with respect to each
26 such motor vehicle, as follows: ~~twenty-five~~ fifty thousand dollars because of
27 bodily injury to or death of one person in any one accident and subject to said
28 limit for one person, ~~fifty~~ one hundred thousand dollars because of bodily
29 injury to or death of two or more persons in any one accident, and ~~twenty-five~~
30 fifty thousand dollars because of injury to or destruction of property of others
31 in any one accident.

1 **SECTION 6. AMENDMENT.** Section 39-16.1-15 of the North Dakota Century Code is
2 amended and reenacted as follows:

3 **39-16.1-15. Deposit of cash with the Bank of North Dakota.**

- 4 1. Proof of financial responsibility may be evidenced by the certificate of the Bank of
5 North Dakota that the person named therein has deposited with it ~~twenty-five~~ fifty
6 thousand dollars in cash, or securities such as may legally be purchased by
7 savings banks or for trust funds of a market value of ~~twenty-five~~ fifty thousand
8 dollars. The Bank of North Dakota may not accept any such deposit and issue a
9 certificate therefor and the director may not accept such certificate unless
10 accompanied by evidence that there are no unsatisfied judgments of any character
11 against the depositor in the county where the depositor resides.
- 12 2. Such deposit must be held by the Bank of North Dakota to satisfy, in accordance
13 with the provisions of this chapter, any execution on a judgment issued against
14 such person making the deposit for damages, including damages for care and loss
15 of services, because of bodily injury to or death of any person, or for damages
16 because of damages to or destruction of property, including the loss of use thereof,
17 resulting from the ownership, maintenance, use, or operation of a motor vehicle
18 after such deposit was made. Money or securities so deposited are not subject to
19 attachment or execution unless such attachment or execution arises out of a suit
20 for damages as aforesaid.

21 **SECTION 7. AMENDMENT.** Subsection 11 of section 39-24-09 of the North Dakota
22 Century Code is amended and reenacted as follows:

- 23 11. A person may not operate a snowmobile, and an owner of a snowmobile may not
24 knowingly permit the snowmobile to be operated, upon any property maintained,
25 leased, or owned by the state parks and recreation department to which the public
26 has a right of access for snowmobile or other vehicular use, without a policy of
27 liability insurance which insures the person named, and any person using the
28 snowmobile with the express or implied permission of the person named, against
29 loss from the liability imposed by law for damages arising out of the ownership,
30 maintenance, or use of the snowmobile within this state, subject to the following
31 limits, exclusive of interest and costs, with respect to each snowmobile: ~~twenty-five~~

1 fifty thousand dollars because of bodily injury to or death of one person in any one
2 accident and, subject to the limit for one person, ~~fifty~~ one hundred thousand dollars
3 because of bodily injury to or death of two or more persons in any one accident,
4 and ~~twenty-five~~ fifty thousand dollars because of injury to or destruction of property
5 of others in any one accident. Upon request of a law enforcement officer, a person
6 operating a snowmobile shall provide proof of liability insurance to that officer
7 within twenty days.

8 **SECTION 8. EFFECTIVE DATE.** This Act becomes effective on August 1, 2010.