

**HOUSE BILL NO. 1123**

Introduced by

Representatives Schobinger, Kasper, Lefor, Mitskog

Senators Klein, Krebsbach, Mathern

1 A BILL for an Act to create and enact a new section to chapter 26.1-39 of the North Dakota  
2 Century Code, relating to property and casualty insurance risk rating; and to provide for  
3 application.

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

5 **SECTION 1.** A new section to chapter 26.1-39 of the North Dakota Century Code is created  
6 and enacted as follows:

7 **Fire protection class - Dispute.**

- 8 1. This section applies to an insurance policy issued or renewed to insure real property in  
9 this state, ~~including structures owned by persons other than the insured,~~ for coverage  
10 for loss caused by or which resulted from any covered cause of loss.
- 11 2. Within thirty days following quoting, issuing, or renewing of the policy, the insured may  
12 assert a fire protection class ~~of other properties in close proximity to the property in-~~  
13 ~~question~~ which differs from the class identified by the insurer and the insurer shall  
14 implement this class. ~~The insured shall present to the insurer a credible basis for the~~  
15 ~~assertion supported by factual information.~~
- 16 3. Within ~~sixty~~ninety days following ~~receipt of~~ the assertion by an insured, the insurer  
17 may ~~dispute the class asserted by the insured and, if the insurer and the responsible-~~  
18 ~~rating organization document the basis for a different class through physical-~~  
19 ~~inspection, may implement a different class effective from the date of issuance or-~~  
20 ~~renewal~~investigate the assertion and:
- 21 a. ~~Change the fire protection class, effective from the date of issuance or renewal of~~  
22 ~~all affected policies; or~~
- 23 b. ~~Document the basis for the original class and implement the original class~~  
24 ~~effective from the date of issuance or renewal.~~

1 4. After making a determination under subsection 3, the insurer shall inform the insured  
2 of the determination.

3 **SECTION 2. APPLICATION.** This Act applies to quoting, issuing, or renewing of insurance  
4 policies on and after the effective date of this Act.