

INSURANCE

CHAPTER 3

S. B. No. 9
(Hernett, Lips)

STATE FIRE AND TORNADO FUND

AN ACT

To amend and reenact section 26-24-22 of the North Dakota Century Code, relating to reinsurance of the state fire and tornado fund, as amended by Senate Bill 340 of the Thirty-ninth Legislative Assembly of North Dakota also known as chapter 214 of the 1965 Session Laws of the state of North Dakota, and declaring an emergency.

Be It Enacted by the Legislative Assembly of the State of North Dakota:

§ 1. **Amendment.)** Section 26-24-22 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

26-24-22. Insurance Required.) The commissioner of insurance shall procure and he shall keep in force, an excess of loss reinsurance contract naming the state fire and tornado fund as the reinsured. Such reinsurance contract shall meet the following minimum specifications: (a) Reimburse the state fire and tornado fund for all losses in excess of five hundred thousand dollars incurred by the state fire and tornado fund under policies issued by the fund and arising out of each occurrence of a peril included in the state fire and tornado fund policies; (b) The limit of liability of such reinsurance contract shall be no less than twenty-five million dollars each loss occurrence and twenty-five million dollars as respects all loss occurrence each twelve month period; (c) A sixty-day cancellation notice. The cost of such excess of loss reinsurance shall be paid out of the premium income of the state fire and tornado fund. This excess of loss reinsurance shall be procured by the commissioner and the state fire and tornado fund only through bids as hereinafter provided and shall be written only in a company or companies authorized to do business within the state of North Dakota. The contract shall be negotiated with and countersigned by a licensed North Dakota resident insurance agent. On or before the third Monday in June each odd numbered year the commissioner of insurance shall publish in the official newspaper of Burleigh County, North Dakota, a notice that on the last

Monday in June of such year the insurance commissioner will accept bids at his office in the state capitol in the city of Bismarck, North Dakota. A copy of such notice shall also be posted at the office of the state fire and tornado fund. A copy of such notice shall also be mailed to each insurance company licensed to write fire insurance in the state of North Dakota. On the said last Monday in June of each odd numbered year, the commissioner of insurance with the approval of the industrial commission shall contract for such excess of loss reinsurance with the company or group of companies submitting the lowest and best bid therefor for the two year period commencing on the ensuing first day of August. The commissioner of insurance with the approval of the industrial commission may disregard the provisions of this section after they have studied the available bids for the reinsurance required by this section.

§ 2. Emergency.) This Act is hereby declared to be an emergency measure and shall be in full force and effect from and after its passage and approval.

Approved June 24, 1965.