

CHAPTER 26.1-30 INSURANCE POLICIES

26.1-30-01. Insurance policy defined - Requirements.

An insurance policy is the written insurance contract. It must specify:

1. The parties between whom the contract is made.
2. The rate of premium.
3. The property or life insured.
4. The interest of the insured in the property insured if the insured is not the absolute owner of the property.
5. The risks insured against.
6. The period during which the insurance is to continue.

26.1-30-02. Policy executed by gambling void.

Every insurance policy executed by way of gaming or wagering is void.

26.1-30-03. Policies classified - Open, running, and valued policies defined.

An insurance policy is open, running, or valued, and these terms are defined as follows:

1. An open policy is one in which the value of the thing insured is not agreed upon but is left to be ascertained in case of loss.
2. A running policy is one which contemplates successive insurances and which provides that the object of the policy may be defined from time to time, especially as to the subjects of insurance, by additional statements or endorsements.
3. A valued policy is one which expresses on its face an agreement that the thing insured must be valued at a specified sum.

26.1-30-03.1. Issuance of foreign language policies.

An insurance carrier or producer licensed to provide insurance under this title may provide insurance policies, endorsements, or riders in a language other than English. All policies, endorsements, and riders written in languages other than English must be filed pursuant to sections 26.1-30-19, 26.1-30-20, and 26.1-30-21 and must include a written certification declaring to the commissioner that the non-English documents are accurate translations of the benefits provided in the English version pursuant to sections 26.1-30-19, 26.1-30-20, and 26.1-30-21. If there is a dispute or complaint regarding the non-English documents, the English language version of the insurance coverage controls the resolution of the dispute or complaint. This section does not abrogate or supersede the provisions of chapter 26.1-04 relating to prohibited practices within insurance business.

26.1-30-04. Insurance only on interest of insured - Stipulation of interest void.

When the name of the person intended to be insured is specified in an insurance policy, it can be applied only to that person's own proper interest. Every stipulation in an insurance policy for the payment of loss regardless of whether the person insured has or has not any interest in the property insured or that the policy is proof of such interest is void.

26.1-30-05. Policy may provide for benefit to any owner.

An insurance policy may be written so it will inure to the benefit of whomever, during the continuance of the risk, may become the owner of the interest insured.

26.1-30-06. Insurance by agent or trustee may be designated in policy.

When an insurance is made by an agent or trustee, the fact that the principal or beneficiary is the person actually insured may be indicated by designation of the agent or trustee or by other general words in the insurance policy.

26.1-30-07. Joint or common interest must be shown in policy.

When an insurance policy is entered into by a part owner of an interest, the terms of the insurance policy must be applicable to joint or common interest for the policy to be effective as to the interests of other part owners.

26.1-30-08. Person intended may claim benefit of policy.

When the description of the insured in an insurance policy is so general that it may comprehend any person or any class of persons, the benefit of the policy may be claimed only by a person who can show that it was intended to include that person.

26.1-30-09. Agreement not to transfer claim on policy is void.

An agreement made before a loss occurs that the insured will not transfer any claim that might arise on the insurance policy is void.

26.1-30-10. Warranties - Form and scope.

A warranty is either express or implied. No particular form of words is necessary to create a warranty. It may relate to the past, present, or future, or to all of them.

26.1-30-11. Express warranty must be written as part of policy.

Every express warranty made at or before the execution of an insurance policy must be contained in the policy or in another instrument signed by the insured and referred to in the policy as a part of the policy.

26.1-30-12. Statement of fact in policy is a warranty.

A statement in an insurance policy of a matter relating to the person or thing insured or to the risk as a fact is an express warranty thereof.

26.1-30-13. Statement of intention in policy is a warranty.

A statement in an insurance policy which imports that it is intended to do or not to do a thing which materially affects the risk is a warranty that the act or omission will take place.

26.1-30-14. Breach of warranty - When excused.

When, before the time arrives for the performance of a warranty relating to the future, a loss insured against happens, or performance becomes impossible or unlawful at the place of the contract, the omission to fulfill the warranty does not avoid the insurance policy.

26.1-30-15. Policy may be rescinded for violation of material warranty.

The violation of a material warranty or other material provision of an insurance policy on the part of either party to the policy entitles the other to rescind.

26.1-30-16. Effect of nonfraudulent breach of warranty in policy.

A breach of warranty without fraud exonerates an insurer from the time the breach occurs, or when a warranty is broken in its inception, prevents the insurance policy from attaching to the risk.

26.1-30-17. Breach of immaterial provision does not avoid policy unless otherwise provided.

An insurance policy may declare that a violation of specified provisions of the policy avoids it. In the absence of such declaration, the breach of an immaterial provision does not avoid the insurance policy.

26.1-30-18. Inception and expiration of policies - Inception of hail insurance policies.

An insurance policy covers the insured at 12:01 a.m. on the day on which coverage begins and expires at 12:01 a.m. on the day of expiration of the policy. However, a policy of insurance on growing crops against loss by hail takes effect at the time and on the day stated on the

application for the insurance. The provision allowing a policy of insurance on growing crops against loss by hail to take effect as provided on the application may not be limited or restricted by rule or bulletin of the commissioner.

26.1-30-19. Policy forms to be filed with and approved by commissioner.

1. No insurance policy, contract, agreement, or rate schedule may be issued or delivered in this state until the form of that policy, contract, agreement, or rate schedule has been filed with and approved by the commissioner.
2. No life insurance policy, certificate, contract, or agreement or annuity contract may be issued for delivery or delivered to any person in this state nor may any application, rider, or endorsement be used in connection therewith until the form thereof has been filed with and approved by the commissioner and is in compliance with chapters 26.1-33, 26.1-34, 26.1-35, and 26.1-37.
3. No insurance policy, certificate, contract, or agreement or notice of proposed insurance against loss or expense from the sickness, bodily injury, or death by accident of the insured may be issued for delivery or delivered to any person in this state nor may any application, rider, or endorsement be used in connection therewith until the form thereof and the classification of risks and the premium rates, or in the case of cooperatives or assessment companies the estimated costs pertaining thereto, have been filed with and approved by the commissioner. A form must be disapproved if the benefits provided are unreasonable in relation to the premium charge or if the benefits do not comply with chapters 26.1-36 and 26.1-37.
4. No casualty or fire and property insurance policy, certificate, contract, or agreement may be issued for delivery or delivered to any person in this state nor may any application, rider, or endorsement be used in connection therewith until the form thereof has been filed and approved by the commissioner to the extent rates are filed and approved pursuant to chapter 26.1-25.
5. A filing and any supporting information is not open to public inspection or subject to the provisions of chapter 44-04 unless the filing is approved by the commissioner.

26.1-30-20. Procedure for use of policy forms filed with commissioner.

No insurance policy, certificate, contract, agreement, or rate schedule, except as is otherwise provided, may be issued, nor may any application, rider, or endorsement be used in connection therewith until the expiration of sixty days after it has been filed unless the commissioner gives written approval. The commissioner may extend the sixty-day period for an additional period not to exceed fifteen days if the commissioner gives written notice within the sixty-day period to the insurer which made the filing that the commissioner needs the additional time for the consideration of the filing.

26.1-30-21. Disapproval of form by commissioner - Notice and hearing.

1. If the commissioner disapproves any form, the commissioner shall notify the company or organization which filed the form within sixty days after filing or within the additional period provided for in section 26.1-30-20 and provide written notice of disapproval of the form, specifying the reasons for disapproval and stating that a hearing may be requested in writing within forty-five days. No company or organization may issue any insurance policy in the form which has been disapproved. If a hearing is requested, the commissioner may suspend or postpone the effective date of disapproval.
2. The commissioner may, at any time after a hearing of which not less than twenty days' written notice has been given to the insurer, withdraw approval of any form if it contains a provision which is unjust, unfair, inequitable, misleading, or deceptive, or on any of the grounds stated in this title. It is unlawful for the insurer to issue the form or use it in connection with any policy after the effective date of withdrawal of approval. The notice of any hearing called under this subsection must specify the matters to be considered at the hearing and any decision affirming disapproval or directing

withdrawal of approval under this section must be in writing and must specify the reasons for the decision.

26.1-30-22. Mandatory arbitration endorsements for property insurance - Written acceptance - Penalty.

1. A property insurance policy may be issued or delivered in this state with mandatory binding arbitration provisions if the:
 - a. Mandatory binding arbitration provisions are contained in a separate endorsement;
 - b. Named insured accepts the mandatory binding arbitration endorsement in writing in accordance with subsection 2; and
 - c. Property insurance policy does not require mandatory binding arbitration upon request.
2. The written acceptance of the insured required under subsection 1 must:
 - a. Be on a form separate from the policy application and other policy forms;
 - b. Clearly state the rights being waived in exchange for the premium discount, including the right to a trial by jury; and
 - c. Include the following statement in at least twelve-point bold font:

"By signing this form, I agree to resolve all covered property insurance claims through mandatory binding arbitration. I understand that by agreeing to mandatory binding arbitration:
I am giving up my right to have disputes resolved in court.
I am giving up my right to a jury trial.
I am accepting these terms in exchange for a premium discount of [dollar amount or percentage of premium amount].
This agreement is binding on all insureds under the policy and remains effective upon policy renewal, replacement, or reinstatement unless I request removal of the mandatory binding arbitration endorsement in writing".
3. All arbitration proceedings under this section must:
 - a. Be conducted in this state if involving a resident of this state;
 - b. Be governed by state law; and
 - c. Not require arbitration in another state.
4. The acceptance or rejection of mandatory binding arbitration is valid and binding on all insureds under the policy and remains effective upon policy renewal, replacement, or reinstatement unless the named insured requests a change in writing.
5. This section applies to all property and casualty insurance policies issued or renewed after August 1, 2025.
6. This section does not apply to a:
 - a. Voluntary arbitration agreement entered after a dispute has arisen;
 - b. Large commercial risk as defined in section 26.1-25-02.1; or
 - c. Commercial surplus line insurance policy placed in accordance with section 26.1-44-03.
7. The commissioner shall enforce this section.
8. The commissioner may assess a penalty on an insurer in violation of this section, as determined by the commissioner.

26.1-30-23. Managed repair programs - Penalty.

1. A property insurance policy may be issued or delivered in this state with a managed repair program provision offering premium incentives for managed repair program participation. As used in this section, "managed repair program" means an insurance policy providing a program with a specified reduction in premium or other specified incentive for participation in a program restricting an insured's choice of repair vendors or contractors for covered repairs.
2. An insurer offering a managed repair program shall:
 - a. Prominently disclose on the policy declarations page the policy restricts the insured's right to choose repair vendors;

- b. Specify any premium benefits for program participation;
- c. Include a separate disclosure form, written in at least twelve-point font, which explains the restrictions on vendor selection, including:
 - (1) The process for repairs under the program;
 - (2) The insured's rights and responsibilities; and
 - (3) Any warranty or guarantee provided for repairs.
- 3. This section does not apply to contractor referral or managed or direct repair programs that do not provide a specified reduction in premium or other incentive.
- 4. This section applies to insurance policies issued or renewed after August 1, 2025.
- 5. The commissioner shall enforce this section.
- 6. The commissioner may assess a penalty on an insurer in violation of this section, as determined by the commissioner.