

MICROFILM DIVIDER

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ROLL NUMBER

DESCRIPTION

1378

2001 HOUSE INDUSTRY, BUSINESS AND LABOR

HB 1378


2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO HB 1378

House Industry, Business and Labor Committee

☐ Conference Committee

Hearing Date Feb., 5 2001

Tape Number	Side A	Side B	Meter #
1	X	X	48-10.88
2		X	46.3
3	X		-8.5
Committee Clerk Signature 			

Minutes: Chairman R. Berg, Vice-Chair G. Keiser, Rep. M. Ekstrom, Rep. R. Froelich, Rep. G. Froseth, Rep. R. Jensen, Rep. N. Johnson, Rep. J. Kasper, Rep. M. Klein, Rep. Koppang, Rep. D. Lemieux, Rep. B. Pietsch, Rep. D. Ruby, Rep. D. Severson, Rep. E. Thorpe.

Rep Dale Severson: Sponsoring bill to allow insurance companies to notify the parent if their coverage is at risk from high-risk children.

Pat Ward: *ND Domestic Ins. Co.* **Written testimony with amendments.**

Rep Lemieux: What does this 'lower coverage's' mean?

Ward: A 250/500 policy could remain while placing the problem driver at 25/50 coverage. This bill would allow either writing a new policy excluding the problem driver or the option to put special requirements on the problem driver. This basically recognizes freedom of contract with the named insured.

Larry Maslowski: *ND Insurance Dept.* We support this with the amendments.

Chairman Berg: We'll close the hearing on HB 1378.

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House Industry, Business and Labor Committee

Bill/Resolution Number HB 1378

Hearing Date Feb. 5, 2001

Rep. Severson: I move the amendments.

Rep. M. Klein: I second.

Rep. M. Klein: I move a do pass as amended.

Rep. Froseth: I second.

12 yea, 1 nay, 2 absent

Carrier Rep. Keiser

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1378

Page 1, line 13, remove the overstrike from "insurance policy covering an automobile"

Page 2, line 2, after the period insert "If the policy excludes a named individual, individuals or class of individuals from all coverage and the named insured expressly or impliedly consents to the operation of a secured motor vehicle by the excluded party, the named insured is not relieved of personal liability as provided by subsection 5 of section 26.1-41-02."

Renumber accordingly

Date: 2-5-01
Roll Call Vote #: J

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. ~~Click here to type Bill/Resolution No.~~ 1378

House Industry, Business and Labor Committee

☐ Subcommittee on _____
or
☐ Conference Committee

Legislative Council Amendment Number 10683.0100

Action Taken Do Pass as Amended

Motion Made By M. Keiser Seconded By Froseth

Representatives	Yes	No	Representatives	Yes	No
Chairman- Rick Berg	✓		Rep. Jim Kasper	✓	
Vice-Chairman George Keiser	✓		Rep. Matthew M. Klein	✓	
Rep. Mary Ekstorm	✓		Rep. Myron Koppang	✓	
Rep. Rod Froelich			Rep. Doug Lemieux		
Rep. Glen Froseth	✓		Rep. Bill Pietsch	✓	
Rep. Roxanne Jensen	✓		Rep. Dan Ruby	✓	
Rep. Nancy Johnson	✓		Rep. Dale C. Severson	✓	
			Rep. Elwood Thorpe		✓

Total (Yes) 13 No 1

Absent 2

Floor Assignment Rep Keiser

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

HB 1378: Industry, Business and Labor Committee (Rep. Berg, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (12 YEAS, 1 NAY, 2 ABSENT AND NOT VOTING). HB 1378 was placed on the Eleventh order on the calendar.

Page 1, line 13, remove the overstrike over "~~insurance policy covering an automobile~~"

Page 2, line 2, after "39-16.1-11" Insert "... If the policy includes a named individual, individuals, or class of individuals from all coverage and the named insured expressly or impliedly consents to the operation of a secured motor vehicle by the excluded party, the named insured is not relieved of personal liability as provided by subsection 5 of section 26.1-41-02"

Renumber accordingly

2001 SENATE INDUSTRY, BUSINESS AND LABOR

HB 1378

2001 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1378

Senate Industry, Business and Labor Committee

☐ Conference Committee

Hearing Date March 12, 2001.

Tape Number	Side A	Side B	Meter #
1	x		21.5 to 46.4
	x		55.4 to end
Committee Clerk Signature <i>Ann & P. Riey</i>			

Minutes:

The meeting was called to order. All committee members present. Hearing was opened on HB 1378 relating to limitations on automobile insurance and persons excluded from automobile insurance policies.

Brenda Blazer, in place of Patrick Ward, ND Domestic Ins. Cos. In favor. Written testimony attached.

Senator Mathern: Can you explain section one?

B Blazer: To insure a high risk driver under our policy would require very high premiums.

Under this bill we can have the high risk driver insured under a different policy.

Dean Richter, Ins Dept., Instructor ND Safety Council. Problem arose because when kids lost their license the companies would cancel the whole family. The graduated license law is affecting parents pocket books. This bill provides an opportunity to treat risk drivers apart and safeguard the rest of the family. Provided committee with copy of "Minor driver license and insurance survey results".

Senator Every: How would this person ever be insured again?

D Richter: High risk companies will take them and state assigned plan will provide insurance.

Senator Klein: Do you know automatically when a driver has had a suspension?

D Richter: Random polls, also once you lose your license you have to file and need proof of insurance.

Representative Dale Severson, District 23, cosponsor. The reason for this bill is the difficulty of getting insurance because of somebody else's record. Shared with committee experience of losing his insurance because of his children's records. Company would require very high premiums.

Senator Espgaard: The best part of the bill is lower liability limits and less coverage. Question is whether the insurance companies are willing to do that.

Larry Maslowsky, ND Ins. Dept. Neutral. This bill is an attempt by the industry to clarify a point. In section 2 parts being eliminated are already in the code, it says insurance companies can exclude a spouse. Some companies follow the rules very closely so they would exclude the whole family because they are not permitted to exclude any other member of the family. This bill gives a clear signal to the insurance companies that they have an option. Downside would be : what if the excluded person drives the vehicle, the insurance company is off the hook but parents would still be liable.

No opposing testimony. Hearing closed.

Tape 1-A-55.4 to end. **Senator Klein:** Motion: do pass. **Senator Every:** Second

Roll call vote: 5 yes; 0 no; 2 absent not voting (Senator Krebsbach and Senator Mathern)

Floor assignment: **Senator Every.**

Date: 3/12/01
Roll Call Vote #: 1

2001 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1378

Senate Industry, Business and Labor

Committee

☐ Subcommittee on _____
or
☐ Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass as engineered

Motion Made By Sen Kleen Seconded By Sen Erera

[illegible]

Total (Yes) 5 No 0

Absent 2

Floor Assignment Sen Every

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE (410)
March 12, 2001 12:08 p.m.

Module No: SR-42-5324
Carrier: Every
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

HB 1378, as engrossed: Industry, Business and Labor Committee (Sen. Mutch, Chairman) recommends **DO PASS** (5 YEAS, 0 NAYS, 2 ABSENT AND NOT VOTING). Engrossed HB 1378 was placed on the Fourteenth order on the calendar.

2001 TESTIMONY

HB 1378

Phone 223-2711

Fax 223-9619

**Testimony of Patrick Ward in support of House
Bill 1378 re exclusion of an individual driver.**

February 04, 2001

Chairman Berg and members of the House IBL Committee:

House Bill 1378 is supported by the North Dakota Domestic Insurance Companies. HB 1378, with amendments offered today, would allow an insurer to exclude an individual driver from coverage by agreement with the principal insured. This would allow for smaller premiums and fewer cancellations of families with 1 or 2 problem drivers.

Section 1 of HB 1378 provides that the uninsured and underinsured motorist provisions of sections 26.1-40-15.1 through 26.1-40-15.7 do not apply to bodily injury, sickness, disease or death resulting from operation of a motor vehicle in which the individual operator has been excluded by agreement.

Section 2 of HB 1378 would allow an insurer the freedom to exclude a named individual who is a problem or high risk driver from coverage on a family or group auto policy rather than having to cancel the entire policy and force the family to go shopping for coverage elsewhere. It also allows the possibility of writing lower coverages for the problem driver while the rest of the family may keep their higher coverages. For example, a minor driver facing revocation due to excessive points under the graduated licensing statute could be excluded or given minimum coverages.

If such restricted coverage is written, it must be for at least the minimums provided by law for uninsured, underinsured, no fault and other statutory basic minimums.

The amendment proposed in section 2 provides that the owner who gives permission to an excluded driver remains liable for no fault benefits to an injured person other than the excluded driver.

Section 3 provides that the problem driver or drivers may be excluded from no fault benefits as provided in Section 2.

We respectfully urge A Do Pass with the suggested amendments to this bill.

ZIJGER KIRMIS & SMITH

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March 12, 2001

**Testimony of Patrick J. Ward In Support of Engrossed House Bill 1378
Regarding Exclusion of an Individual Driver**

Dear Chairman Mutch and members of the Senate IBL Committee:

Engrossed House Bill 1378 is supported by the North Dakota Domestic Insurance Companies. HB 1378 would allow an insurer to exclude an individual driver from coverage by agreement with the principal insured. This would allow for smaller premiums and fewer cancellations of families with 1 or 2 problem drivers.

Section 1 of HB 1378 provides that the uninsured and underinsured motorist provisions of sections 26.1-40-15.1 through 26.1-40-15.7 do not apply to bodily injury, sickness, disease or death resulting from operation of a motor vehicle in which the individual operator has been excluded by agreement.

Section 2 of HB 1378 would allow an insurer the freedom to exclude a named individual who is a problem or high risk driver from coverage on a family or group auto policy rather than having to cancel the entire policy and force the family to go shopping for coverage elsewhere. It also allows the possibility of writing lower

Testimony of Patrick J. Ward In Support of Engrossed House Bill 1378

March 12, 2001

Page 2

coverages for the problem driver while the rest of the family may keep their higher coverages. For example, a minor driver facing revocation due to excessive points under the graduated licensing statute could be excluded or given minimum coverage.

If such restricted coverage is written, it must be for at least the minimums provided by law for uninsured, underinsured, no fault and other statutory basic minimums.

Section 2 provides that the owner who gives permission to an excluded driver remains liable for no fault benefits to an injured person other than the excluded driver.

Section 3 provides that the problem driver or drivers may be excluded from no fault benefits as provided in Section 2.

We respectfully urge a Do Pass on this bill.

HB 1378

**North Dakota Department of Transportation****Drivers License and Traffic Safety**

608 East Boulevard Avenue • Bismarck, ND 58505-0700

John Hoeven, Governor
David A. Sprynczynatyk, P.E., Director

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MEMORANDUM

TO: The Honorable Bob Stenehjem, State Senate
Chairman, Senate Transportation Committee

FROM: Marsha Lembke, Director *ML*
Driver License and Traffic Safety

DATE: January 10, 2001

SUBJECT: Survey Results

Approximately 400 surveys were sent to the parents of minors who had their driving privileges canceled because of the minor driver license law. The drivers were chosen from drivers that had their privileges canceled between August 1, 1999 to July 31, 2000, because of an accumulation of points due to two or more traffic violations.

Of the surveys mailed, we received 78 responses back. Eighteen surveys were returned to our office as undeliverable by the U.S. Postal Service. The responses received by our office indicate that 58 percent of the drivers experienced an affect in their automobile insurance, while 33 percent experience no affect. Nine percent of the surveys returned gave no indication of any affect, either positive or negative. Of the 58 percent that indicated that their insurance was affected, the affect was either an increase in premiums or the policy was canceled.

Of the 46 respondents that indicated their insurance was affected the following was determined:

- 19 drivers had four or more violations on record
- 179 total violations were recorded against the 46 records
- 79 were speeding violations ranging from 8 MPH over the limit to 39 MPH over the limit
- 18 drivers were involved in 27 reportable crashes (one driver was involved in 4 crashes)

Please Drive Sober And Always Buckle Up

The Honorable Senator Bob Stenehjem

Page 2

January 10, 2001

Of the 26 respondents that indicated their insurance was not affected the following was determined:

- 11 had 4 or more violations on record
- 105 total violations were recorded against the 26 records
- 49 were speeding violations ranging from 10 MPH over the limit to 36 MPH over the limit
- 10 drivers were involved in 15 reportable crashes

Attached is a list of the questions asked on the survey, how the questions were answered, and any comments made to the survey or questions. Also asked on the survey was the name of the drivers insurance company and the address. The names of the insurance company, insurance agent and address when possible is also attached.

09/hs

Attachments

c: The Honorable Senator Dwight Cook
The Honorable Representative Rae Ann Kelsch
The Honorable Representative John Mahoney
The Honorable Representative George Keiser
Kent Olson, Professional Insurance Agents
Lowell Ridgeway, North Dakota Safety Council
Keith Magnusson, Director, Driver and Vehicle Services

MINOR DRIVER LICENSE AND INSURANCE SURVEY RESULTS**Was your insurance affected?**

Yes - 46

No - 26

-The charge is higher for the driver but that may not be entirely because of this program.

-I don't know.

-Moved to another state in March and was dropped from our policy.

-His insurance is not my insurance.

How was your insurance affected?

Rates were increased - 35

-Rates went up significantly to the point where I probably should have canceled.

-Substantially.

-Part of the increase is due to the fact ???? is on high risk ins because his license was revoked and suspended.

-Upon renewal of policy.

Policy canceled - 18

-Current policy was canceled and had to find another insurance company.

-Policy canceled because initially they thought 6 pts - passing a school zone was a minor offense. *Rates increased 3 fold.

-???? has to insured through a high risk company and he can not drive any of our vehicles for a period of 3 years.

-Policy canceled by parents.

-Previous policy

Rates decreased - 0

No effect - 7

-No change in premium yet!

-Not to my knowledge.

Other (Please Explain) - 8

-Was going to cancel us out. Had to drop him.

-I canceled with the company and then got another company as it was less at that time.

-Probably will go up when he drives again.

-Almost doubled under ours, and if he was on own would be more.

-Changed insurance companies.

-???? is excluded from my policy

-No effect yet.

-Endorsement against all vehicles