

HOUSE BILL NO. 1225

Introduced by

Representatives Nottestad, Galvin, Keiser

Senator Mutch

1 A BILL for an Act to create and enact a new section to chapter 51-07 of the North Dakota
2 Century Code, relating to the paying of an insurance deductible or offering of a rebate by a
3 seller of goods or services; and to provide a penalty.

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

5 **SECTION 1.** A new section to chapter 51-07 of the North Dakota Century Code is
6 created and enacted as follows:

7 **Insurance claims for excessive charges - Penalty.**

- 8 1. A person who sells goods or services may not:
- 9 a. Advertise or promise to provide a good or service, paid for by the consumer
10 from proceeds of an insurance policy that provides coverage for physical
11 damage to automobiles, and to pay all or part of any applicable insurance
12 deductible or to pay a rebate in an amount equal to all or part of any
13 applicable insurance deductible; and
- 14 b. Knowingly charge an amount for the good or service that exceeds the usual
15 and customary charge by that person for the good or service by an amount
16 equal to or greater than all or part of the applicable insurance deductible paid
17 by that person on behalf of an insured or remitted to an insured by that person
18 as a rebate.
- 19 2. A person who is insured under an insurance policy that provides coverage for
20 physical damage to automobiles may not submit a claim under the policy based on
21 charges that are in violation of subsection 1 or may not knowingly allow a claim in
22 violation of subsection 1 to be submitted, unless the person promptly notifies the
23 insurer of the excessive charges.
- 24 3. A violation of this section is a class B misdemeanor.