

HOUSE BILL NO. 1427

Introduced by

Representatives Nicholas, Nottestad, Wald, Warner

Senators Kelsh, Tollefson

1 A BILL for an Act to amend and reenact section 51-07-24 of the North Dakota Century Code,
2 relating to prohibition of insurance claims for excessive charges.

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

4 **SECTION 1. AMENDMENT.** Section 51-07-24 of the North Dakota Century Code is
5 amended and reenacted as follows:

6 **51-07-24. Insurance claims for excessive charges - Penalty.**

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