

**Fifty-seventh Legislative Assembly of North Dakota  
In Regular Session Commencing Tuesday, January 9, 2001**

HOUSE BILL NO. 1427  
(Representatives Nicholas, Nottestad, Wald, Warner)  
(Senators Kelsh, Tollefson)

AN ACT to amend and reenact section 51-07-24 of the North Dakota Century Code, relating to prohibition of insurance claims for excessive charges.

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

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

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

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

\_\_\_\_\_  
Speaker of the House

\_\_\_\_\_  
President of the Senate

\_\_\_\_\_  
Chief Clerk of the House

\_\_\_\_\_  
Secretary of the Senate

This certifies that the within bill originated in the House of Representatives of the Fifty-seventh Legislative Assembly of North Dakota and is known on the records of that body as House Bill No. 1427.

House Vote:      Yeas    90      Nays    6      Absent    2

Senate Vote:    Yeas    40      Nays    6      Absent    3

\_\_\_\_\_  
Chief Clerk of the House

Received by the Governor at \_\_\_\_\_ M. on \_\_\_\_\_, 2001.

Approved at \_\_\_\_\_ M. on \_\_\_\_\_, 2001.

\_\_\_\_\_  
Governor

Filed in this office this \_\_\_\_\_ day of \_\_\_\_\_, 2001,  
at \_\_\_\_\_ o'clock \_\_\_\_\_ M.

\_\_\_\_\_  
Secretary of State