

Fifty-eighth
Legislative Assembly
of North Dakota

ENGROSSED HOUSE BILL NO. 1142

Introduced by

Industry, Business and Labor Committee

(At the request of the Insurance Commissioner)

1 A BILL for an Act to create and enact section 26.1-25-04.4 of the North Dakota Century Code,
2 relating to withdrawal of insurance companies; to amend and reenact subsection 1 of section
3 26.1-30.1-06 and subsection 1 of section 26.1-39-16 of the North Dakota Century Code,
4 relating to nonrenewal of commercial and homeowner's insurance; and to repeal sections
5 26.1-01-06, 26.1-03-12, 26.1-03-13, 26.1-03-14, and 26.1-03-15 of the North Dakota Century
6 Code, relating to product liability and legal malpractice reports.

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

8 **SECTION 1.** Section 26.1-25-04.4 of the North Dakota Century Code is created and
9 enacted as follows:

10 **26.1-25-04.4. Notice of withdrawal.** An insurer must provide the commissioner notice
11 in writing of its plan to cease writing and renewing a property and casualty insurance product
12 before the notification of agents and stockholders. The notice must contain the effective date of
13 the plan, the number of policies affected, and the reason therefor.

14 **SECTION 2. AMENDMENT.** Subsection 1 of section 26.1-30.1-06 of the North Dakota
15 Century Code is amended and reenacted as follows:

16 1. An insurer shall renew the policy, unless at least ~~thirty~~ sixty days prior to the date
17 of expiration provided in the policy, a notice of intention not to renew the policy
18 beyond the agreed expiration date is made to the policyholder. The insurer shall
19 include a statement of the reasons for a nonrenewal with the notice.

20 **SECTION 3. AMENDMENT.** Subsection 1 of section 26.1-39-16 of the North Dakota
21 Century Code is amended and reenacted as follows:

22 1. No insurer may fail to renew a property insurance policy unless a written notice of
23 nonrenewal is mailed or delivered to the named insured, at the last-known address
24 of the named insured, at least ~~thirty~~ forty-five days prior to the expiration date of

1 the policy, except that when the policy provides professional liability coverage for
2 legal and medical services, the nonrenewal notice must be mailed or delivered at
3 least ninety days prior to the policy expiration date. A postal service certificate of
4 mailing to the named insured at the insured's last-known address is conclusive
5 proof of mailing and receipt on the third calendar day after the mailing.

6 **SECTION 4. REPEAL.** Sections 26.1-01-06, 26.1-03-12, 26.1-03-13, 26.1-03-14, and
7 26.1-03-15 of the North Dakota Century Code are repealed.