

Sixty-seventh
Legislative Assembly
of North Dakota

SENATE BILL NO. 2151

Introduced by

Senators Klein, Kreun, Vedaa

Representative Lefor

1 A BILL ~~for an Act to amend and reenact section 26.1-40-15.2 of the North Dakota Century~~
2 ~~Code, relating to uninsured motorist property damage coverage; and to provide for~~
3 ~~application~~ for an Act to provide for a legislative management study related to uninsured drivers.

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

5 **SECTION 1. AMENDMENT.** ~~Section 26.1-40-15.2 of the North Dakota Century Code is~~
6 ~~amended and reenacted as follows:~~

7 ~~—26.1-40-15.2. Uninsured motorist coverage —Uninsured motorist property damage~~
8 ~~coverage.~~

9 ~~—1.—No~~A motor vehicle liability insurance policy may not be delivered, issued for delivery,
10 or renewed in this state with respect to any specifically insured or identified motor
11 vehicle registered, licensed, and principally garaged in this state unless uninsured
12 motorist coverage is provided thereinas part of the policy or supplemental thereto~~to~~
13 the policy in limits set forth in section 39-16.1-11. Uninsured motorist coverage must
14 pay compensatory damages whichthat an insured is legally entitled to collect for bodily
15 injury, sickness, or disease, including death resulting therefrom~~from the injury,~~
16 sickness, or disease, or such insured, from the owner or operator of an uninsured
17 motor vehicle arising out of the ownership, maintenance, or use of such uninsured
18 motor vehicle.

19 ~~—2.—At the request of a named insured, or applicant for insurance, the insurer providing~~
20 ~~uninsured motorist coverage~~ also shall also make available higher limits of uninsured
21 motorist coverage in accordance with its~~the insurer's~~ rating plan and rules. The insurer
22 need not provide uninsured motorist coverage limits in excess of the insured's bodily
23 injury liability limits, or one hundred thousand dollars per person and three hundred
24 thousand dollars per accident, or if consistent with such rating plan and rules, a

combined single limit equivalent of three hundred thousand dollars per accident,
whichever is less.

~~3. The maximum liability of the uninsured motorist coverage is the lower of:~~

~~a. The amount of compensatory damages established but not recovered by any
agreement, settlement, or judgment with or for the person or organization legally
liable for the bodily injury, sickness, disease, or death resulting therefrom from the
injury, sickness, or disease; or~~

~~b. The limits of liability of the uninsured motorist coverage.~~

~~4. An insurer providing uninsured motorist coverage shall offer to provide uninsured
motorist property damage coverage without a deductible amount.~~

~~a. An insurer is not required to offer limits of uninsured motorist property damage
coverage greater in amount than the property damage liability limits purchased
by the insured.~~

~~b. Uninsured motorist property damage coverage is payable only if the incident
causing the property damage involves actual physical contact between the
covered motor vehicle and the uninsured motor vehicle and:~~

~~(1) The owner, operator, or license plate number of the uninsured motor vehicle
is identified; or~~

~~(2) In the case of a hit and run, the incident is reported to law enforcement
within seventy-two hours.~~

~~c. As used in this subsection, "property damage" means damage caused by an
owner or operator of an uninsured motor vehicle to a covered motor vehicle. The
term does not include compensation for loss of use of the damaged or destroyed
motor vehicle.~~

~~5. In any claim for uninsured motorist benefits, the insured and the insurer each bear
responsibility for one's own attorney's fees incurred unless the insurance contract
specifically provides otherwise or the insurance company is found to have acted in bad
faith. It is neither a conflict of interest nor bad faith for an insurer to contest and press
all defenses that the uninsured motorist could press.~~

~~**SECTION 2. APPLICATION.** This Act applies to all automobile insurance policies delivered,
issued, or renewed after July 31, 2021.~~

SECTION 1. LEGISLATIVE MANAGEMENT STUDY - UNINSURED DRIVERS. During the 2021-22 interim, the legislative management shall consider studying the use of blockchain to identify an accurate and continuous count of uninsured drivers in this state. The study must be in consultation with the department of transportation and must consider blockchain technology that allows for a dynamic, ongoing, decentralized, secure, and immutable method of tracking uninsured drivers in this state. In addition, the study must include an analysis of the impact relating to consumer fraud that may result from a state law mandating uninsured motorist property damage coverage. The insurance department shall request the thirty largest auto insurers, as measured by premiums written, to provide information to facilitate the study of the use and implementation of blockchain for this purpose. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-eighth legislative assembly.