

Sixty-fifth  
Legislative Assembly  
of North Dakota

## ENGROSSED HOUSE BILL NO. 1247

Introduced by

Representatives Keiser, Kasper

1 A BILL for an Act to create and enact a new section to chapter 26.1-40 of the North Dakota  
2 Century Code, relating to duplicate motor vehicle insurance coverage; and to amend and  
3 reenact subsection 4 of section 26.1-39-11, section 26.1-39-20, and subsection 5 of section  
4 26.1-40-01 of the North Dakota Century Code, relating to termination of insurance and duplicate  
5 property insurance coverage.

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

7 **SECTION 1. AMENDMENT.** Subsection 4 of section 26.1-39-11 of the North Dakota  
8 Century Code is amended and reenacted as follows:

9 4. "Termination" means ~~either~~ a cancellation or nonrenewal of property insurance  
10 coverage in whole or in part . ~~A cancellation~~Cancellation occurs during the policy term.  
11 ~~A nonrenewal~~Nonrenewal occurs at the end of the policy term as set forth in  
12 subsection 3. For purposes of sections 26.1-39-10 through 26.1-39-21, the transfer of  
13 a policy between companies within the same insurance holding company system is  
14 not a termination. Requiring a reasonable deductible, reasonable changes in the  
15 amount of insurance, or reasonable reductions in policy limits or coverage is not  
16 considered a termination if the requirements are directly related to the hazard involved  
17 and are made on the renewal date for the policy.

18 **SECTION 2. AMENDMENT.** Section 26.1-39-20 of the North Dakota Century Code is  
19 amended and reenacted as follows:

20 **26.1-39-20. Duplicate coverage.**

21 If an insured obtains a replacement policy ~~that provides~~providing equal or more extensive  
22 coverage for ~~any~~a property covered in both policies, the first insurer's coverage of ~~the~~that  
23 property may be terminated either by cancellation or nonrenewal. The termination is effective on

1 the effective date of the second policy providing duplicate replacement coverage. Upon  
2 termination, the insured is entitled to a refund of the premium.

3 **SECTION 3. AMENDMENT.** Subsection 5 of section 26.1-40-01 of the North Dakota  
4 Century Code is amended and reenacted as follows:

5 5. "Termination" means ~~either~~ a cancellation or nonrenewal of automobile insurance  
6 coverage in whole or in part . ~~A cancellation~~ Cancellation occurs during the policy term.  
7 ~~A nonrenewal~~ Nonrenewal occurs at the end of the policy term. An insurer's  
8 substitution of insurance upon renewal which results in substantially equivalent  
9 coverage is not a termination. The transfer of a policy between companies within the  
10 same insurance holding company system is not a termination.

11 **SECTION 4.** A new section to chapter 26.1-40 of the North Dakota Century Code is created  
12 and enacted as follows:

13 **Duplicate coverage.**

14 If an insured obtains a replacement policy providing equal or more extensive coverage for a  
15 motor vehicle covered in both policies, the first insurer's coverage of that motor vehicle may be  
16 terminated either by cancellation or nonrenewal. The termination is effective on the effective  
17 date of the second policy providing duplicate replacement coverage. Upon termination, the  
18 insured is entitled to a refund of the premium.