

Sixty-fifth  
Legislative Assembly  
of North Dakota

ENGROSSED HOUSE BILL NO. 1198

Introduced by

Representatives Nathe, Bosch

Senator D. Larson

1 A BILL for an Act to amend and reenact section 26.1-39-23 of the North Dakota Century Code,  
2 relating to property and casualty insurance binders.

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

4 **SECTION 1. AMENDMENT.** Section 26.1-39-23 of the North Dakota Century Code is  
5 amended and reenacted as follows:

6 **26.1-39-23. Temporary insurance - Use of binders.**

7 A binder or contract for ~~temporary farm and personal~~property lines of insurance may be  
8 made orally or in writing and is deemed to include all the terms of a standard fire insurance  
9 policy and all applicable endorsements as may be designated in the binder. However, the  
10 cancellation clause of the standard fire insurance policy and the clause specifying the hour of  
11 the day at which the insurance commences may be superseded by the express terms of the  
12 binder. A duly authorized binder must be accepted as evidence of insurance coverage required  
13 as a condition of financing the purchase of property, except that a mortgagee or lender is not  
14 required to accept a renewal or extension of the binder. Any insurance producer who has  
15 express authority to bind ~~farm and personal~~property and casualty lines of insurance coverage,  
16 and who orally agrees on behalf of an insurer to provide insurance coverage, if requested, shall  
17 execute and deliver a written memorandum or binder containing the terms of the oral  
18 agreement to the insured within three business days from the time of the oral agreement.