

Introduced by

Representatives Keiser, Kasper

1 A BILL for an Act to amend and reenact subsection 4 of section 26.1-39-11, subsection 5 of  
2 section 26.1-40-01, and section 26.1-40-09 of the North Dakota Century Code, relating to  
3 termination of insurance.

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

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

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

16 **SECTION 2. AMENDMENT.** Subsection 5 of section 26.1-40-01 of the North Dakota  
17 Century Code is amended and reenacted as follows:

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

1       **SECTION 3. AMENDMENT.** Section 26.1-40-09 of the North Dakota Century Code is  
2 amended and reenacted as follows:

3       **26.1-40-09. Termination of coverage when another policy in force.**

4       Notwithstanding the failure of an insurer to comply with sections 26.1-40-01 through  
5 26.1-40-12, termination of ~~any~~ coverage under the policy ~~either~~ by the insurer by cancellation or  
6 nonrenewal is effective on the effective date of any other policy providing similar coverage on  
7 the same motor vehicle or any replacement of the motor vehicle.