

**Sixty-fifth Legislative Assembly of North Dakota
In Regular Session Commencing Tuesday, January 3, 2017**

HOUSE BILL NO. 1302
(Representatives Schobinger, Delzer, Dobervich, Kasper)
(Senators Klein, Krebsbach)

AN ACT to amend and reenact subsection 1 of section 26.1-39-05 of the North Dakota Century Code, relating to property and casualty insurance covered loss.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Subsection 1 of section 26.1-39-05 of the North Dakota Century Code is amended and reenacted as follows:

1. Whenever any insurance policy is written or renewed to insure any real property in this state, including structures owned by persons other than the insured, against loss caused by or resulting from any covered cause of loss and the insured property is wholly or completely destroyed by any covered cause of loss without fraud on the part of the insured or the insured's assigns, the amount of the insurance written in the policy is the true value of the property insured and the true amount of loss and measure of damages, subject to the following conditions:
 - a. If the covered loss occurred within ~~ninety~~sixty days after the policy effective date or within ~~ninety~~sixty days after the policy limits were increased by twenty-five percent or more at the insured's request, the loss payable to the insured for covered loss incurred during the first ~~ninety~~sixty days is the lesser of:
 - (1) The full value of the policy; or
 - (2) ~~The actual cash value or replacement cost of the property, depending on the policy provisions applicable to the structure~~The amount paid in accordance with the policy provisions as if a partial loss occurred.
 - b. Subdivision a does not apply to:
 - (1) Renewal policies with policy limits increases of less than twenty-five percent;
 - (2) Policies for which limits have increased twenty-five percent or more due to the construction of additions; or
 - (3) Policies for which the increased limits were approved by the insurer before the loss.
 - c. Builder risk policies of insurance covering property in the process of being constructed must be valued and settled according to the actual value of that portion of construction completed at the time of any covered cause of loss.
 - d. In case of double insurance, each insurer shall contribute proportionally toward the loss without regard to the dates of the insurance policies.

Speaker of the House

President of the Senate

Chief Clerk of the House

Secretary of the Senate

This certifies that the within bill originated in the House of Representatives of the Sixty-fifth Legislative Assembly of North Dakota and is known on the records of that body as House Bill No. 1302.

House Vote: Yeas 89 Nays 5 Absent 0

Senate Vote: Yeas 47 Nays 0 Absent 0

Chief Clerk of the House

Received by the Governor at _____ M. on _____, 2017.

Approved at _____ M. on _____, 2017.

Governor

Filed in this office this _____ day of _____, 2017,

at _____ o'clock _____ M.

Secretary of State