



January 18, 2021

ND Senate Industry, Business and Labor Committee

ND SB 2151

The American Property Casualty Insurance Association (APCIA) is composed of over 1,200 member companies and 330 insurance groups and represents the broadest cross-section of home, auto, and business insurers of any national insurance trade association. In North Dakota, APCIA member insurers provide almost 69 percent of all the insurance purchased by the state's citizens and businesses.

We urge you to oppose SB 2151 because it mandates that insurers must offer an unusual line of automobile insurance for which there presently appears to be little demand in the marketplace. The line of insurance coverage mandated by the legislation is generally referred to as uninsured motorist property damage coverage.

We are not opposed to providing this line of coverage on a permissive basis but believe that mandating insurers to offer the coverage is contrary to a healthy functioning competitive marketplace. Aside from the competition aspect is that a mandatory offer of coverage must include a documented rejection process whereby some acknowledgment is made by the customer that the coverage has been offered and has either been accepted or has been declined. Inevitably, these kinds of notice provisions breed disputes between insurers and their customers.

Most importantly, if there was consumer demand for this kind of insurance the competitive market would have promptly responded with coverage options however there appears to be little evidence of this suggesting that customer demand, if any, is minimal.

We do believe there are two alternative courses of action which could be pursued, in lieu of this legislation: first, we suggest that proponents meet individually with insurers to present a proposal for the permissive provision of this line of insurance (this cannot be done collectively due to anti-trust implications); and second, we urge the legislature to study this legislation in the context of the overall uninsured motorist population in the state to address the root problems of uninsured motorists.

Thank you.

Steve Schneider
Vice President, State Affairs
Midwest Region
APCIA
Steve.schneider@apci.org
312.782.7720