A person entirely without understanding has no power to make a contract of any kind, but is liable for the reasonable value of things furnished to the person necessary for the person's support or the support of the person's family.

A conveyance or other contract of a person of unsound mind, but not entirely without understanding, made before the person's incapacity has been determined judicially upon application for the appointment of a guardian is subject to rescission as provided by the laws of this state.

14-01-03. Insane person - Cannot contract after incapacity determined - Right to make will.
After a person's incapacity has been determined judicially upon application for the appointment of a guardian, a person of unsound mind can make no conveyance or other contract, nor delegate any power, nor waive any right until the person's restoration to capacity is determined judicially. If actually restored to capacity, the person may make a will, though the person's restoration is not determined judicially.