

HOUSE BILL NO. 1150

Introduced by

Representatives Monson, Rust, Vigesaa

Senators Klein, Unruh, Dotzenrod

1 A BILL for an Act to amend and reenact sections 26.1-13-12 and 26.1-13-15 of the North
2 Dakota Century Code, relating to county mutual insurance companies.

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

4 **SECTION 1. AMENDMENT.** Section 26.1-13-12 of the North Dakota Century Code is
5 amended and reenacted as follows:

6 **26.1-13-12. General powers, liabilities, and duties of county mutual company - Office -**
7 **Name - Limitations.**

8 A county mutual insurance company ~~possesses~~has the powers and is subject to the
9 liabilities and duties of other insurance companies, except that:

- 10 1. The principal office of the company must be located within the company's approved
11 territory of operation.
- 12 2. ~~When~~If the company is organized by the residents of a single county, the name of the
13 county together with the word "county" must be embraced in the corporate name of
14 the company.
- 15 3. ~~Any company organized under this chapter for mutual protection against loss or~~
16 ~~damage by tornadoes, windstorms, cyclones, hail, except upon growing crops, and~~
17 ~~any hazard upon any risk upon livestock, only, may operate and issue policies in all of~~
18 ~~the counties of the state, but in all other matters is regulated and limited by this~~
19 ~~chapter~~Notwithstanding contrary territorial limitations in this chapter, a county mutual
20 insurance company may operate and issue the following policies in all the counties of
21 the state:
- 22 a. Protection against loss or damage by tornadoes;
- 23 b. Protection against loss or damage by windstorms;
- 24 c. Protection against loss or damage by cyclones;

- 1 d. Protection against loss or damage by hail, except upon growing crops;
- 2 e. Protection against loss or damage by any hazard upon any risk upon livestock;
- 3 and
- 4 f. Protection against loss or damage by any hazard to a seasonal dwelling if the
- 5 primary residence is insured by the company in an authorized county.

6 **SECTION 2. AMENDMENT.** Section 26.1-13-15 of the North Dakota Century Code is
7 amended and reenacted as follows:

8 **26.1-13-15. Territorial limits of county mutual company's operations - Terms of**
9 **policies - Property insurable.**

- 10 1. A county mutual insurance company may not insure any property beyond the
11 company's authorized territory of operation except as provided in subsection 3 of
12 section 26.1-13-12 and except that this territorial limitation does not apply to
13 reinsurance contracts.
- 14 2. A policy may not be issued to exceed five years.
- 15 3. A policy may not be issued covering property located within the platted limits of anyan
16 incorporated city in this state ~~unless, except the policy issued provides~~may provide
17 coverage as specified under sections 26.1-13-14 and 26.1-13-16 within the platted
18 limits of ~~anythe~~ the incorporated city ~~in this state on the actual;~~
- 19 a. ~~The place of residence occupied by the policyholder and appurtenant structures~~
20 ~~and the contents thereof and on no more than; or~~
- 21 b. A rental property that is no larger than a four residential rental units of each
22 policyholderunit.
- 23 4. The company may insure all property located outside of incorporated cities within the
24 limits of the territory comprised in the formation of the company.
- 25 5. Policies issued under subsection 3 on property located within the platted limits of
26 anyan incorporated city with a population over ten thousand are ~~limited to covering the~~
27 ~~actual place of residence occupied by the policyholder and appurtenant structures and~~
28 ~~the contents thereof and no more than four residential rental units of each policyholder~~
29 ~~and~~ must conform to rules adopted by the commissioner establishing requirements for
30 underwriting risks and safeguarding financial solvency. A company may not exceed

- 1 ~~twenty-five~~thirty-five percent of the company's gross written premiums of the previous
2 year for the gross written premiums in cities with a population over ten thousand.
- 3 6. A policy issued by the company, if it so provides, may cover loss or damage to
4 livestock, personal property, vehicles, and farm machinery while temporarily removed
5 from the premises of the insured to other locations.