

**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 ~~any~~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.