

**Sixty-third Legislative Assembly of North Dakota
In Regular Session Commencing Tuesday, January 8, 2013**

HOUSE BILL NO. 1150
(Representatives Monson, Rust, Vigesaa)
(Senators Klein, Unruh, Dotzenrod)

AN ACT to amend and reenact sections 26.1-13-12 and 26.1-13-15 of the North Dakota Century Code, relating to county mutual insurance companies.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

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

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

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

1. The principal office of the company must be located within the company's approved territory of operation.
2. ~~When~~If the company is organized by the residents of a single county, the name of the county together with the word "county" must be embraced in the corporate name of the company.
3. ~~Any company organized under this chapter for mutual protection against loss or damage by tornadoes, windstorms, cyclones, hail, except upon growing crops, and any hazard upon any risk upon livestock, only, may operate and issue policies in all of the counties of the state, but in all other matters is regulated and limited by this chapter.~~Notwithstanding contrary territorial limitations in this chapter, a county mutual insurance company may operate and issue the following policies in all the counties of the state:
 - a. Protection against loss or damage by tornadoes;
 - b. Protection against loss or damage by windstorms;
 - c. Protection against loss or damage by cyclones;
 - d. Protection against loss or damage by hail, except upon growing crops;
 - e. Protection against loss or damage by any hazard upon any risk upon livestock; and
 - f. Protection against loss or damage by any hazard to a seasonal dwelling if the primary residence is insured by the company in an authorized county.

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

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

1. A county mutual insurance company may not insure any property beyond the company's authorized territory of operation except as provided in subsection 3 of section 26.1-13-12 and except that this territorial limitation does not apply to reinsurance contracts.
2. A policy may not be issued to exceed five years.

3. A policy may not be issued covering property located within the platted limits of any incorporated city in this state ~~unless, except the policy issued provides~~ may provide coverage as specified under sections 26.1-13-14 and 26.1-13-16 within the platted limits of any ~~the~~ incorporated city ~~in this state on the actual:~~
 - a. ~~The place of residence occupied by the policyholder and appurtenant structures and the contents thereof and on no more than; or~~
 - b. A rental property that is no larger than a four residential rental units of each policyholder unit.
4. The company may insure all property located outside of incorporated cities within the limits of the territory comprised in the formation of the company.
5. Policies issued under subsection 3 on property located within the platted limits of any incorporated city with a population over ten thousand ~~are limited to covering the actual place of residence occupied by the policyholder and appurtenant structures and the contents thereof and no more than four residential rental units of each policyholder and~~ must conform to rules adopted by the commissioner establishing requirements for underwriting risks and safeguarding financial solvency. A company may not exceed ~~twenty-five~~ thirty-five percent of the company's gross written premiums of the previous year for the gross written premiums in cities with a population over ten thousand.
6. A policy issued by the company, if it so provides, may cover loss or damage to livestock, personal property, vehicles, and farm machinery while temporarily removed from the premises of the insured to other locations.

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-third Legislative Assembly of North Dakota and is known on the records of that body as House Bill No. 1150.

House Vote: Yeas 89 Nays 0 Absent 5

Senate Vote: Yeas 47 Nays 0 Absent 0

Chief Clerk of the House

Received by the Governor at _____ M. on _____, 2013.

Approved at _____ M. on _____, 2013.

Governor

Filed in this office this _____ day of _____, 2013,

at _____ o'clock _____ M.

Secretary of State