

**SENATE BILL NO. 2396**

Introduced by

Senators Traynor, Krebsbach, Solberg

Representatives N. Johnson, Mickelson, Nicholas

1 A BILL for an Act to amend and reenact section 26.1-36-24 of the North Dakota Century Code,  
2 relating to the transferability of health insurance policies.

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

4 **SECTION 1. AMENDMENT.** Section 26.1-36-24 of the North Dakota Century Code is  
5 amended and reenacted as follows:

6 **26.1-36-24. Health policy transferable.** A health insurance policy may pass by  
7 transfer, will, or succession to any person, whether that person has an insurable interest or not,  
8 and that person may recover any benefit payable under the policy in accordance with the terms  
9 of the policy, but ~~in no event shall such~~ this transfer or succession does not operate to change  
10 the named insured or insureds covered under the policy. An insured under a group health  
11 insurance policy, pursuant to agreement among the insured, the group policyholder, and the  
12 insurer, may make an assignment of all or any part of the incidents of ownership held by the  
13 insured under the policy, including any right to designate a beneficiary and any right to have an  
14 individual policy issued in case of termination of employment. An insured under a health  
15 insurance policy or contract, whether issued on an individual or a group basis, may assign  
16 benefits payable under that policy or contract and any contrary provision in the policy or  
17 contract is void. An assignment, whether made ~~prior to~~ before or ~~subsequent to~~ after July 1,  
18 1971, is valid for the purpose of vesting in the assignee all the incidents of ownership assigned,  
19 and entitles the insurer to deal with the assignee as the owner in accordance with the policy,  
20 but without prejudice to the insurer on account of any payment made or individual policy issued  
21 ~~prior to~~ before receipt by the insurer of such notice as may be required by the policy.