

**SENATE BILL NO. 2407**

Introduced by

Senators D. Mathern, Flakoll

1 A BILL for an Act to create and enact a new section to chapter 26.1-26 of the North Dakota  
2 Century Code, relating to insurance sales by rental car agencies.

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

4 **SECTION 1.** A new section to chapter 26.1-26 of the North Dakota Century Code is  
5 created and enacted as follows:

6 **Insurance license for automobile rental agencies - Exception.** A license as an  
7 insurance agent or limited insurance representative is not required for the counter sales  
8 personnel of an automobile rental company or its franchisee if:

- 9 1. The automobile rental company is appropriately licensed in this state under section  
10 26.1-26-08.
- 11 2. The coverage offered by the counter sales personnel is limited to the following:
- 12 a. Personal accident insurance covering the risks of travel, including accident  
13 and health insurance that provides coverage to renters and other rental  
14 vehicle occupants for accidental death or dismemberment and for medical  
15 expenses resulting from an accident that occurs during the rental period;
- 16 b. Supplemental liability insurance that provides coverage to renters and other  
17 vehicles for liability arising from the operation of the rental vehicle;
- 18 c. Personal effects insurance that provides coverage to renters and other vehicle  
19 occupants for the loss of, or damage to, personal effects that occurs during  
20 the rental period;
- 21 d. Roadside assistance and emergency sickness protection programs; and
- 22 e. Any other coverage that a rental company offers in connection with and  
23 incidental to the rental of vehicles.

- 1           3.    The policy period of any insurance sold by the counter sales personnel is ninety  
2                    days or less.
- 3           4.    The automobile rental company files an acknowledgement with the commissioner  
4                    that its counter sales personnel act on its behalf and that it is responsible for any  
5                    representations made by the counter sales personnel relating to insurance  
6                    products offered through the automobile rental company or its franchisee. The  
7                    acknowledgement must state that the commissioner has the right to take any  
8                    administrative action contemplated in this title, including revocation or suspension  
9                    of the automobile rental companies agency license required under subsection 1.
- 10          5.    The automobile rental company provides basic training to counter sales personnel  
11                    in the insurance products offered under this section. The training must require  
12                    counter sales personnel to refer all customers with questions regarding the  
13                    insurance products offered under this section to appropriately licensed agents  
14                    employed by the automobile rental company or to written brochures or other  
15                    materials that:
- 16                    a.    Summarize the material terms of the coverage, including the identity of the  
17                            insurer;
- 18                    b.    Disclose that the policies offered by the automobile rental company may  
19                            duplicate coverage already provided by other insurance the renter may have;
- 20                    c.    State that the purchase of insurance is not required to rent the vehicle; and
- 21                    d.    Describes the process of filing a claim.
- 22          6.    The counter sales personnel are not directly paid by an insurance company, a  
23                    commission, or any other compensation for the sale of insurance. Nothing in this  
24                    section prevents the automobile rental company from providing sales incentives to  
25                    counter sales personnel provided there is not a direct relationship between the sale  
26                    of insurance products and the counter sales personnel's compensation.