

HOUSE BILL NO. 1303

Introduced by

Representatives Monson, Gulleason, Nicholas, Wald

Senators Kelsh, Traynor

1 A BILL for an Act to amend and reenact sections 26.1-13-01 and 26.1-13-02 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 26.1-13-01 of the North Dakota Century Code is
5 amended and reenacted as follows:

6 **26.1-13-01. County mutual insurance company - Organization.** A corporation for
7 mutual insurance may be formed in accordance with this chapter by any number of persons, not
8 less than fifty, ~~residing in not more than twenty counties in this state,~~ who collectively own
9 property of not less than one hundred thousand dollars in value which they desire to insure; or
10 any number of persons, not less than twenty-five, residing in any one county in this state, who
11 collectively own property of not less than twenty-five thousand dollars in value which they desire
12 to insure.

13 **SECTION 2. AMENDMENT.** Section 26.1-13-02 of the North Dakota Century Code is
14 amended and reenacted as follows:

15 **26.1-13-02. Articles of incorporation - Territory of operation - Insurance**
16 **applications required.** Persons desiring to form a county mutual insurance company shall
17 submit to the commissioner a description of the territory of operation and shall submit to the
18 commissioner and to the attorney general the articles of incorporation of the proposed
19 company. The territory of operation is subject to the review and approval of the commissioner.
20 ~~An existing county mutual insurance company that desires to expand its territory of operation~~
21 ~~shall submit a description of the current territory of operation and proposed territory of operation~~
22 ~~to the commissioner for review and approval. If merger of two or more county mutual insurance~~
23 ~~companies is proposed, the commissioner shall determine the territory of operation of the~~
24 ~~merged company.~~ If the articles are found to comply with this chapter, the commissioner shall

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- 1 approve the articles and the articles must be filed in the office of the secretary of state and a
2 certified copy must be filed with the commissioner. The articles must be signed by the number
3 of persons required to incorporate the company and must be accompanied by sufficient
4 evidence of the execution of bona fide applications for insurance to the number and in the
5 amount stated in section 26.1-13-01. The articles of incorporation must set forth:
- 6 1. The name of the company.
 - 7 2. The name of the city in or near which the business office of the company is to be
8 located.
 - 9 3. The intended duration of the company, which is perpetual.