

**FIRST ENGROSSMENT
with Senate Amendments**

Fifty-seventh
Legislative Assembly
of North Dakota

ENGROSSED HOUSE BILL NO. 1427

Introduced by

Representatives Nicholas, Nottestad, Wald, Warner

Senators Kelsh, Tollefson

1 A BILL for an Act to amend and reenact section 51-07-24 of the North Dakota Century Code,
2 relating to prohibition of insurance claims for excessive charges.

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

4 **SECTION 1. AMENDMENT.** Section 51-07-24 of the North Dakota Century Code is
5 amended and reenacted as follows:

6 **51-07-24. Insurance claims for excessive charges - Penalty.**

7 1. A person who sells goods or services paid for by the consumer from proceeds of
8 an insurance policy that provides coverage for physical damage to automobiles
9 may not:

10 a. Advertise or promise to provide a good or service, ~~paid for by the consumer~~
11 ~~from proceeds of an insurance policy that provides coverage for physical~~
12 ~~damage to automobiles, and to~~ as an incentive, pay or waive all or part of any
13 applicable insurance deductible, ~~or to pay a rebate in an amount equal to all~~
14 or part of any applicable insurance deductible; ~~and or~~

15 b. Knowingly charge an amount for the good or service that exceeds the usual
16 and customary charge by that person for the good or service by an amount
17 equal to or greater than all or part of the applicable insurance deductible paid
18 by that person on behalf of an insured or remitted to an insured by that
19 person as a rebate.

20 2. A person who is insured under an insurance policy that provides coverage for
21 physical damage to automobiles may not knowingly submit a claim under the
22 policy based on charges that are in violation of subsection 1 or may not knowingly
23 allow a claim in violation of subsection 1 to be submitted, unless the person
24 promptly notifies the insurer of the excessive charges.

- 1 3. A violation of this section is a class B misdemeanor.