

Fifty-seventh
Legislative Assembly
of North Dakota

ENGROSSED HOUSE BILL NO. 1378

Introduced by

Representatives Severson, Berg, Kasper

1 A BILL for an Act to create and enact a new subsection to section 26.1-40-15.6 of the North
2 Dakota Century Code, relating to limitations on automobile insurance; and to amend and
3 reenact sections 26.1-40-16 and 26.1-40-16.1 of the North Dakota Century Code, relating to
4 persons excluded from automobile insurance policies.

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

6 **SECTION 1.** A new subsection to section 26.1-40-15.6 of the North Dakota Century
7 Code is created and enacted as follows:

8 While operating a motor vehicle in which the individual is specifically excluded.

9 **SECTION 2. AMENDMENT.** Section 26.1-40-16 of the North Dakota Century Code is
10 amended and reenacted as follows:

11 **26.1-40-16. Exclusion of ~~spouse of named insured persons - Restrictive~~**
12 **endorsements.** ~~No insurer is responsible under~~ By written agreement with the named insured,
13 a private passenger automobile insurance policy covering an automobile or other motor vehicle
14 registered or principally garaged in this state ~~from any liability for any claims resulting from the~~
15 ~~operation of the motor vehicle by a spouse of the named insured who resides in the same~~
16 ~~household if an endorsement on the policy excludes that spouse from coverage under the~~
17 ~~policy and the spouse excluded signs the endorsement. If the named insured expressly or~~
18 ~~impliedly consents to the operation of a secured motor vehicle by a spouse excluded under the~~
19 ~~policy, the named insured is not relieved of personal liability as provided by subsection 5 of~~
20 ~~section 26.1-41-02~~ may exclude a named individual, individuals, or class of individuals from
21 coverage. The policy may contain a restrictive endorsement reducing the limits of liability,
22 uninsured motorist coverage, underinsured motorist coverage, basic no-fault benefits coverage,
23 or collision coverage while the vehicle is operated by a named individual or class of individuals.
24 However, if the policy does provide liability coverage to a person named in a restrictive

1 endorsement, the coverage may not be less than the minimum provided under section
2 26.1-40-15.2, section 26.1-40-15.3, subsection 2 of section 26.1-41-01, and section 39-16.1-11.
3 If the policy excludes a named individual, individuals, or class of individuals from all coverage
4 and the named insured expressly or impliedly consents to the operation of a secured motor
5 vehicle by the excluded party, the named insured is not relieved of personal liability as provided
6 by subsection 5 of section 26.1-41-02.

7 **SECTION 3. AMENDMENT.** Section 26.1-40-16.1 of the North Dakota Century Code
8 is amended and reenacted as follows:

9 **26.1-40-16.1. Payment of benefits to family members of a policyholder.** An
10 automobile insurance policy that provides coverage for bodily injury may not contain any
11 provision limiting payment of benefits or reducing the amount of benefits payable to a person
12 because the person to whom benefits are being paid under that policy is related to the
13 policyholder by blood, marriage, or adoption, or is a foster child, and resides in the same
14 household as the policyholder. However, a relative may be excluded from coverage under
15 section 26.1-40-16.