

**SENATE BILL NO. 2094  
with House Amendments**

Fifty-ninth  
Legislative Assembly  
of North Dakota

**SENATE BILL NO. 2094**

Introduced by

Industry, Business and Labor Committee

(At the request of the Insurance Commissioner)

1 A BILL for an Act to amend and reenact section 26.1-39-06 of the North Dakota Century Code,  
2 relating to excluding commercial insurance coverage for loss by fire or other perils caused  
3 directly or indirectly by terrorism; and to declare an emergency.

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

5 **SECTION 1. AMENDMENT.** Section 26.1-39-06 of the North Dakota Century Code is  
6 amended and reenacted as follows:

7 **26.1-39-06. Standard fire insurance policy.** No fire insurance contract or policy,  
8 including a renewal, may be made, issued, used, or delivered by any insurer or by any  
9 insurance producer or representative of the insurer on property in this state other than such as  
10 conform in all particulars as to blanks, size of type, context, provisions, agreements, and  
11 conditions with the 1943 standard fire insurance policy of the state of New York, a copy of  
12 which must be filed in the office of the commissioner as the standard policy for this state. The  
13 cancellation provisions contained in the standard policy are superseded to the extent sections  
14 26.1-39-10 through 26.1-39-21 are inconsistent with the provisions. No other or different  
15 provision, agreement, condition, or clause may be made a part of the contract or policy or be  
16 endorsed on the contract or policy or delivered with the contract or policy, except as follows:

- 17 1. The name of the insurer, its location and place of business, the date of its  
18 incorporation or organization, and the state or county under which the insurer is  
19 organized, the amount of paid-up capital stock, whether it is a stock or mutual  
20 company, the names of its officers, the number and the date of the policy, and  
21 appropriate company emblems may be printed on policies issued on property in  
22 this state; provided, however, that any insurer organized under special charter  
23 provisions may so indicate upon its policy and may add a statement of the plan  
24 under which it operates in this state.

- 1           2. Printed or written forms of description and specifications or schedules of the  
2           property covered by any particular policy and any other matter necessary to  
3           express clearly all the facts and conditions of insurance on any particular risk,  
4           which facts or conditions may not be inconsistent with or a waiver of any of the  
5           provisions or conditions of the standard policy, may be written upon or attached or  
6           appended to any policy issued on property in this state. Appropriate forms of  
7           contracts, supplemental contracts, or endorsements, by which the interest in the  
8           property described is insured against one or more of the perils which the insurer is  
9           empowered to assume, may be used in connection with the standard policy. The  
10          forms of contracts, supplemental contracts, or endorsements attached or printed  
11          on the policy may contain provisions and stipulations inconsistent with the  
12          standard policy if applicable only to the other perils. The first page of the standard  
13          policy may be rearranged to provide space for the listing of rates and premiums for  
14          coverages insured under the policy or under endorsements attached or printed on  
15          the policy, and such other data as may be included for duplication on daily reports  
16          for office records.
- 17          3. An insurer, if entitled to do business in this state, may with the approval of the  
18          commissioner, if not already included in the standard form as filed with the  
19          commissioner, print on its policies any provision which it is required by law to insert  
20          in the policies if the provision is not in conflict with the laws of this state or the  
21          United States, or of the provisions of the standard policy, but the provision must be  
22          printed apart from the other provisions, agreements, or conditions of the policy and  
23          in type not smaller than the body of the policy and a separate title, as follows:  
24          "Provisions required by law to be stated in this policy", and must be a part of the  
25          policy.
- 26          4. A commercial insurance policy providing coverage for fire insurance in accordance  
27          with this section may exclude coverage for loss by fire insured against if the fire is  
28          caused directly or indirectly by terrorism.
- 29          5. There may be endorsed in writing on the outside of any policy the name, with the  
30          word "Producer or Producers" and place of business, of any insurance producer or

1 producers. There may also be added, with the approval of the commissioner, a  
2 statement of the group of companies with which the insurer is financially affiliated.

3 ~~5-~~ 6. When two or more insurers, each having previously complied with the laws of this  
4 state, unite to issue a joint policy, there may be expressed in the head line of each  
5 policy the fact of the severalty of the contract; also the proportion of premiums to  
6 be paid to each insurer and the proportion of liability which each insurer agrees to  
7 assume. And in the printed conditions of the policy the necessary change may be  
8 made from the singular to plural number, when reference is had to the insurers  
9 issuing such policy.

10 ~~6-~~ 7. With the approval of the commissioner, a combined farm policy may be used, the  
11 fire portion of which must be substantially in accord with the standard policy.

12 ~~7-~~ 8. The standard policy is an interest policy and must be so construed as to at all  
13 times protect the interest, whatever it may be, of any named insured. Provided,  
14 however, that a five-day grace period is allowed after the execution of any written  
15 instrument transferring interest in insured property during which full protection must  
16 be granted under the terms of the policy.

17 ~~8-~~ 9. In case of other coverage on the same peril, the liability of each insurer may not be  
18 for any greater amount or proportion of the loss than the ratio such insurance  
19 bears to the valid and collectible whole insurance covering the property against the  
20 peril involved.

21 ~~9-~~ 10. No contract or policy issued under this section may contain a limitation of less than  
22 three years for the bringing of any suit or action under the contract or policy.

23 ~~10-~~ 11. This section does not apply to inland marine, ocean marine, or automobile  
24 insurance.

25 **SECTION 2. EMERGENCY.** This Act is declared to be an emergency measure.