

**Sixty-fourth Legislative Assembly of North Dakota
In Regular Session Commencing Tuesday, January 6, 2015**

SENATE BILL NO. 2105
(Senators Krebsbach, Oehlke)
(Representative Frantsvog)

AN ACT to amend and reenact section 26.1-39-05 of the North Dakota Century Code, relating to property and casualty insurance valuation.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 26.1-39-05 of the North Dakota Century Code is amended and reenacted as follows:

26.1-39-05. Face of policy to be paid in case of covered loss.

1. Whenever any insurance policy is written or renewed to insure any real property in this state, including structures owned by persons other than the insured, against loss caused by or resulting from any covered cause of loss and the insured property is wholly or completely destroyed by any covered cause of loss without fraud on the part of the insured or the insured's assigns, the amount of the insurance written in the policy is the true value of the property insured and the true amount of loss and measure of damages, subject to the following conditions:
 - a. If the covered loss occurred within ninety days after the policy ~~was issued~~effective date or within ninety days after the policy limits were increased by twenty-five percent or more at the insured's request, the loss payable to the insured for covered loss incurred during the first ninety days is the lesser of:
 - (1) The full value of the policy; or the
 - (2) The actual cash value or replacement cost of the property, whichever is less depending on the policy provisions applicable to the structure. This
 - b. ~~subsection~~Subdivision a does not apply to ~~unchanged renewal~~:
 - (1) Renewal policies or policies with policy limits increases of less than twenty-five percent;
 - (2) ~~with inflation adjustment limits~~Policies for which limits have increased twenty-five percent or more due to the construction of additions; or
 - (3) Policies for which the increased limits were approved by the insurer before the loss.
 - b.c. Builder risk policies of insurance covering property in the process of being constructed must be valued and settled according to the actual value of that portion of construction completed at the time of any covered cause of loss.
 - e.d. In case of double insurance, each insurer shall contribute proportionally toward the loss without regard to the dates of the insurance policies.
2. This section does not apply as to personal property or any interest ~~therein~~ in the personal property.
3. This section does not apply to any claim for loss of an appurtenant structure or separate structure. Any claim for loss of an appurtenant or separate structure must be settled for actual replacement cost or actual cash value, depending on the policy provisions applicable to the

structure, unless an appurtenant or separate structure is individually described in the policy and a value is assigned to that specific structure before the loss.

President of the Senate

Speaker of the House

Secretary of the Senate

Chief Clerk of the House

This certifies that the within bill originated in the Senate of the Sixty-fourth Legislative Assembly of North Dakota and is known on the records of that body as Senate Bill No. 2105.

Senate Vote: Yeas 46 Nays 0 Absent 1

House Vote: Yeas 91 Nays 0 Absent 3

Secretary of the Senate

Received by the Governor at _____ M. on _____, 2015.

Approved at _____ M. on _____, 2015.

Governor

Filed in this office this _____ day of _____, 2015,

at _____ o'clock _____ M.

Secretary of State