

SENATE BILL NO. 2151

Introduced by

Senators Klein, Kreun, Vedaa

Representative Lefor

1 A BILL ~~for an Act to amend and reenact section 26.1-40-15.2 of the North Dakota Century~~
2 ~~Code, relating to uninsured motorist property damage coverage; and to provide for~~
3 ~~application~~ for an Act to provide for a legislative management study related to uninsured drivers.

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

5 **SECTION 1. AMENDMENT.** ~~Section 26.1-40-15.2 of the North Dakota Century Code is~~
6 ~~amended and reenacted as follows:~~

7 ~~— 26.1-40-15.2. Uninsured motorist coverage — Uninsured motorist property damage~~
8 ~~coverage.~~

9 ~~— 1. No~~ A ~~motor vehicle liability insurance policy may not be delivered, issued for delivery,~~
10 ~~or renewed in this state with respect to any specifically insured or identified motor~~
11 ~~vehicle registered, licensed, and principally garaged in this state unless uninsured~~
12 ~~motorist coverage is provided therein~~ as part of the policy or supplemental thereto
13 ~~the policy in limits set forth in section 39-16.1-11. Uninsured motorist coverage must~~
14 ~~pay compensatory damages which that an insured is legally entitled to collect for bodily~~
15 ~~injury, sickness, or disease, including death resulting therefrom~~ from the injury,
16 ~~sickness, or disease, or such insured, from the owner or operator of an uninsured~~
17 ~~motor vehicle arising out of the ownership, maintenance, or use of such uninsured~~
18 ~~motor vehicle.~~

19 ~~— 2. At the request of a named insured, or applicant for insurance, the insurer providing~~
20 ~~uninsured motorist coverage also shall also make available higher limits of uninsured~~
21 ~~motorist coverage in accordance with its~~ the insurer's ~~rating plan and rules. The insurer~~
22 ~~need not provide uninsured motorist coverage limits in excess of the insured's bodily~~
23 ~~injury liability limits, or one hundred thousand dollars per person and three hundred~~
24 ~~thousand dollars per accident, or if consistent with such rating plan and rules, a~~

1 combined single limit equivalent of three hundred thousand dollars per accident,
2 whichever is less.

3 ~~3.~~ The maximum liability of the uninsured motorist coverage is the lower of:

4 ~~a.~~ The amount of compensatory damages established but not recovered by any
5 agreement, settlement, or judgment with or for the person or organization legally
6 liable for the bodily injury, sickness, disease, or death resulting therefrom ~~from the~~
7 injury, sickness, or disease; or

8 ~~b.~~ The limits of liability of the uninsured motorist coverage.

9 ~~4.~~ An insurer providing uninsured motorist coverage shall offer to provide uninsured
10 motorist property damage coverage without a deductible amount.

11 ~~a.~~ An insurer is not required to offer limits of uninsured motorist property damage
12 coverage greater in amount than the property damage liability limits purchased
13 by the insured.

14 ~~b.~~ Uninsured motorist property damage coverage is payable only if the incident
15 causing the property damage involves actual physical contact between the
16 covered motor vehicle and the uninsured motor vehicle and:

17 ~~(1)~~ The owner, operator, or license plate number of the uninsured motor vehicle
18 is identified; or

19 ~~(2)~~ In the case of a hit and run, the incident is reported to law enforcement
20 within seventy-two hours.

21 ~~c.~~ As used in this subsection, "property damage" means damage caused by an
22 owner or operator of an uninsured motor vehicle to a covered motor vehicle. The
23 term does not include compensation for loss of use of the damaged or destroyed
24 motor vehicle.

25 ~~5.~~ In any claim for uninsured motorist benefits, the insured and the insurer each bear
26 responsibility for one's own attorney's fees incurred unless the insurance contract
27 specifically provides otherwise or the insurance company is found to have acted in bad
28 faith. It is neither a conflict of interest nor bad faith for an insurer to contest and press
29 all defenses that the uninsured motorist could press.

30 ~~**SECTION 2. APPLICATION.** This Act applies to all automobile insurance policies delivered,~~
31 ~~issued, or renewed after July 31, 2021.~~

1 | **SECTION 1. LEGISLATIVE MANAGEMENT STUDY - UNINSURED DRIVERS.** During the
2 | 2021-22 interim, the legislative management shall consider studying the use of blockchain to
3 | identify an accurate and continuous count of uninsured drivers in this state. The study must be
4 | in consultation with the department of transportation and must consider blockchain technology
5 | that allows for a dynamic, ongoing, decentralized, secure, and immutable method of tracking
6 | uninsured drivers in this state. In addition, the study must include an analysis of the impact
7 | relating to consumer fraud that may result from a state law mandating uninsured motorist
8 | property damage coverage. The insurance department shall request the thirty largest auto
9 | insurers, as measured by premiums written, to provide information to facilitate the study of the
10 | use and implementation of blockchain for this purpose. The legislative management shall report
11 | its findings and recommendations, together with any legislation required to implement the
12 | recommendations, to the sixty-eighth legislative assembly.