

**Sixty-second Legislative Assembly of North Dakota
In Regular Session Commencing Tuesday, January 4, 2011**

SENATE BILL NO. 2062
(Senators Lyson, Oehlke, Olafson, O'Connell)
(Representative Sukut)

AN ACT to create and enact a new chapter to title 26.1 of the North Dakota Century Code, relating to property and casualty certificates of insurance.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. A new chapter to title 26.1 of the North Dakota Century Code is created and enacted as follows:

Definitions.

As used in this chapter:

1. "Certificate holder" means a person, other than a policyholder, to which a certificate of insurance has been issued.
2. "Certificate of insurance" means a document or instrument, regardless of how titled or described, that is prepared or issued by an insurer or insurance producer as a statement of property or casualty insurance coverage. The term does not include a policy of insurance or insurance binder.
3. "Insurance producer" means a person required to be licensed under the laws of this state to sell, solicit, or negotiate property or casualty insurance.
4. "Insurer" means any organization that issues property or casualty insurance.
5. "Policyholder" means a person that contracted with an insurer for property or casualty insurance coverage.

Limitations on issuance of certificates of insurance.

A person may not prepare, issue, or require the issuance of a certificate of insurance on property, operations, or risks located in this state unless the certificate of insurance form has been filed with the commissioner by or on behalf of the insurer and has been approved by the commissioner. The commissioner may designate as meeting the requirements of this section and not requiring further approval a standard certificate of insurance form, which may include a form promulgated and filed by a national insurance advisory organization, such as the association for cooperative research and development, the American association of insurance services, and the insurance services office.

Certificate of insurance limitations.

A person may not alter or modify a certificate of insurance form approved by the commissioner; may not demand, require, or issue a certificate of insurance that contains any false or misleading information concerning the policy of insurance to which the certificate of insurance makes reference; and may not knowingly prepare or issue a certificate of insurance that purports to affirmatively or negatively alter, amend, or extend the coverage provided by the policy. A certificate of insurance may not contain a reference to a construction contract, service contract, or insurance requirement for the purpose of amending coverage afforded by the policy to which the certificate makes reference.

Notice requirements.

The only circumstance under which a certificate holder is entitled to the legal right to notice of cancellation, nonrenewal, or any material change or any similar notice concerning a policy of insurance is if the certificate holder has such notice rights under the terms of the policy or under any endorsement to the policy. The terms and conditions of the notice, including the required timing of the notice, are governed by the policy of insurance and may not be altered by a certificate of insurance.

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-second Legislative Assembly of North Dakota and is known on the records of that body as Senate Bill No. 2062.

Senate Vote: Yeas 46 Nays 0 Absent 1

House Vote: Yeas 92 Nays 0 Absent 2

Secretary of the Senate

Received by the Governor at _____ M. on _____, 2011.

Approved at _____ M. on _____, 2011.

Governor

Filed in this office this _____ day of _____, 2011,

at _____ o'clock _____ M.

Secretary of State