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SUSPENSION OF INSURANCE—SEASONAL VEHICLES

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The North Dakota Auto Accident Reparations Act, Chapter 26–41 of the North Dakota Century Code, does not provide for the suspension of liability or no-fault benefit coverages. In view of this problem, during the implementation of the no-fault law, it was agreed that the companies would adopt a rating or rate credit procedure which would reflect seasonal vehicle exposures such as farm trucks, construction vehicles, etc. The insurance companies were advised to direct their efforts toward developing such a program through the guidelines which were initially issued to the companies. As of this date, no new filings have been received which would reflect the adoption of rating or rate credit procedures for recognizing such seasonal vehicle exposures. Consequently, this Department requests that companies which have not implemented seasonal rate credits use the following procedure.

Immediately implement the issuance of an "advisory endorsement". The "advisory endorsement" should schedule the vehicle, or vehicles, which will be temporarily placed out of operation. Proper premium adjustments then can be made when the companies are notified that the vehicle, or vehicles, are again placed in use. This procedure compares with the present procedure used in the suspension of coverage without actually suspending such coverage.

J. O. WIGEN
Commissioner of Insurance