

NORTH CAROLINA GENERAL ASSEMBLY  
1967 SESSION

CHAPTER 662  
SENATE BILL 180

1 AN ACT TO PROVIDE THAT SETTLEMENT OF PROPERTY DAMAGE CLAIMS  
2 ARISING OUT OF MOTOR VEHICLE COLLISIONS SHALL NOT CONSTITUTE AN  
3 ADMISSION OF LIABILITY BY THE PERSON MAKING SUCH SETTLEMENT OR  
4 BY THE INSURANCE CARRIER AND TO PROVIDE THAT ACCEPTANCE OF SUCH  
5 SETTLEMENT BY AN INJURED PARTY SHALL NOT CONSTITUTE A RELEASE  
6 OR BAR OF FURTHER CLAIMS FOR BODILY INJURY OR DEATH.

7  
8 The General Assembly of North Carolina do enact:  
9

10 **Section 1.** Article 44 of Chapter 1 of the General Statutes of North Carolina is  
11 hereby amended by inserting after the present Section 1-540.1 a new Section to be designated  
12 as Section 1-540.2 to read as follows:

13 "**§ 1-540.2. Settlement of Property Damage Claims; Same not to Constitute Admission of**  
14 **Liability, nor Bar Party Seeking Damages for Bodily Injury or Death.** In any claim, civil  
15 action, or potential civil action which arises out of a motor vehicle collision or accident,  
16 settlement of any property damage claim arising from such collision or accident, whether such  
17 settlement be made by an individual, a self insurer, or by an insurance carrier under a policy of  
18 insurance, shall not constitute an admission of liability on the part of the person, self insurer or  
19 insurance carrier making such settlement, which arises out of the same motor vehicle collision  
20 or accident. It shall be incompetent for any claimant or party plaintiff in the said civil action to  
21 offer into evidence, either by oral testimony or paper writing, the fact that a settlement of the  
22 property damage claim arising from such collision or accident has been made; provided further,  
23 that settlement made of such property damage claim arising out of a motor vehicle collision or  
24 accident shall not in and of itself act as a bar, release, accord and satisfaction, or discharge of  
25 any claims other than the property damage claim, unless by the written terms of a properly  
26 executed settlement agreement it is specifically stated that the acceptance of said settlement  
27 constitutes full settlement of all claims and causes of action arising out of the said motor  
28 vehicle collision or accident."

29 **Sec. 2.** All laws and clauses of laws in conflict with this Act are hereby repealed.

30 **Sec. 3.** This Act shall become effective July 1, 1967, and shall apply to claims and  
31 causes of action arising after said date.

32 In the General Assembly read three times and ratified, this the 2nd day of June,  
33 1967.