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Short Title: Proof of Insurance/Drivers License.

(Public)

Sponsors:

Referred to:

February 16, 1989

A BILL TO BE ENTITLED

AN ACT TO AMEND THE PROOF OF FINANCIAL RESPONSIBILITY  
REQUIREMENTS FOR OBTAINING DRIVERS LICENSES AND LIMITED  
DRIVING PRIVILEGES.

The General Assembly of North Carolina enacts:

Section 1. G.S. 20-7(c1) reads as rewritten:

"(c1) In addition to the other requirements of this section, no person shall be issued a driver's license until such person has furnished proof that he is financially responsible. Proof of financial responsibility shall be in the form of a written certificate of any insurance carrier duly authorized to do business in this State certifying that there is in effect a nonfleet private passenger motor vehicle liability policy for the benefit of the person required to furnish proof of financial responsibility. ~~Such certificate shall state that the policy is in effect on the date of the issuance of the driver's license but shall not in and of itself constitute a binder or policy of insurance.~~ The certificate shall state the effective date and expiration date of the nonfleet private passenger motor vehicle liability policy and shall state the date that the certificate is issued. The certificate shall remain effective proof of financial responsibility for a period of 30 consecutive days following the date the certificate is issued but shall not in and of itself constitute a binder or policy of insurance.

If the applicant's insurer is authorized to do business in this State but does not have an agent resident in this State, the applicant may show proof of financial responsibility by producing a binder for or policy of nonfleet private passenger motor vehicle liability

1 insurance, under which the applicant is insured; provided that the effective date and  
2 expiration date of the binder or policy are stated thereon. If the applicant is the  
3 registered owner of a motor vehicle in this State, the applicant may show proof of  
4 financial responsibility by producing the registration certificate issued by the Division.

5 The preceding provisions of this subsection do not apply to applicants who do not  
6 own currently registered motor vehicles and who do not operate nonfleet private  
7 passenger motor vehicles that are owned by other persons and ~~who do not reside in a~~  
8 ~~household wherein any other household member owns a motor vehicle~~ that are not insured  
9 under commercial motor vehicle liability insurance policies. In such cases, the  
10 applicant shall sign a written certificate to that effect. Such certificate shall be furnished  
11 by the Division and may be incorporated into the license application form. Any  
12 material misrepresentation made by such person on such certificate shall be grounds for  
13 suspension of that person's license for a period of 90 days.

14 For the purpose of this subsection, the term 'nonfleet private passenger motor  
15 vehicle' has the definition ascribed to it in Article 13C of General Statute Chapter 58.

16 The Commissioner may require that certificates required by this subsection be on a  
17 form approved by the Commissioner.

18 Nothing in this subsection precludes any person from showing proof of financial  
19 responsibility in any other manner authorized by Articles 9A and 13 of this Chapter."

20 ♦Sec. 2. G.S 20-7(f) reads as rewritten:

21 "(f) The drivers' licenses issued under this section shall automatically expire on the  
22 birthday of the licensee in the fourth year following the year of issuance; and no new  
23 license shall be issued to any operator after the expiration of his license until such  
24 operator has again passed the examination specified in this section. Any operator may at  
25 any time within 60 days prior to the expiration of his license apply for a new license and  
26 if the applicant meets the requirements of this Article, the Division shall issue a new  
27 license to him. A new license issued within 60 days prior to the expiration of an  
28 applicant's old license or within 12 months thereafter shall automatically expire four  
29 years from the date of the expiration of the applicant's old license.

30 Any person serving in the armed forces of the United States on active duty and  
31 holding a valid driver's license properly issued under this section and stationed outside  
32 the State of North Carolina may renew his license by making application to the Division  
33 by mail. Any other person, except a nonresident as defined in this Article, who holds a  
34 valid driver's license issued under this section and who is temporarily residing outside  
35 North Carolina, may also renew by making application to the Division by mail. For  
36 purposes of this section 'temporarily' shall mean not less than 30 days continuous  
37 absence from North Carolina. In either case, the Division may waive the examination  
38 and color photograph ordinarily required for the renewal of a driver's license, and may  
39 impose in lieu thereof such conditions as it may deem appropriate to each particular  
40 application; provided that such license shall expire 30 days after licensee returns to  
41 North Carolina, and such license shall be designated as temporary.

42 Provided further, that no person who applies for the renewal of his driver's license  
43 shall be required to take a written examination or road test as a part of any such  
44 examination unless such person has been convicted of a traffic violation or had prayer

1 for judgment continued with respect to any traffic violation within a four-year period  
2 immediately preceding the date of such person's renewal application or unless such  
3 person suffers from a mental or physical condition which impairs his ability to operate a  
4 motor vehicle.

5 Provided further, that no person who applies for the renewal of his driver's license  
6 and who must take the written examination pursuant to this section shall be issued a  
7 renewed license unless such person has furnished proof that he is financially  
8 responsible. Proof of financial responsibility shall be in the form of a written certificate  
9 of any insurance carrier duly authorized to do business in this State certifying that there  
10 is in effect a nonfleet private passenger motor vehicle liability policy for the benefit of  
11 the person required to furnish proof of financial responsibility. ~~Such certificate shall state~~  
12 ~~that the policy is in effect on the date of the renewal of the driver's license but shall not in and~~  
13 ~~of itself constitute a binder or policy of insurance.~~ The certificate shall state the effective  
14 date and expiration date of the nonfleet private passenger motor vehicle liability policy  
15 and shall state the date that the certificate is issued. The certificate shall remain  
16 effective proof of financial responsibility for a period of 30 consecutive days following  
17 the date the certificate is issued but shall not in and of itself constitute a binder or policy  
18 of insurance.

19 If the applicant's insurer is authorized to do business in this State but does not have  
20 an agent resident in this State, the applicant may show proof of financial responsibility  
21 by producing a binder for or policy of nonfleet private passenger motor vehicle liability  
22 insurance, under which the applicant is insured. If the applicant is the registered owner  
23 of a motor vehicle in this State, the applicant may show proof of financial responsibility  
24 by producing the registration certificate issued by the Division.

25 The provisions of the preceding paragraph do not apply to applicants who do not  
26 own currently registered motor vehicles and who do not operate nonfleet private  
27 passenger motor vehicles that are owned by other persons and ~~who do not reside in a~~  
28 ~~household wherein any other household member owns a motor vehicle~~ that are not insured  
29 under commercial motor vehicle liability insurance policies. In such cases, the  
30 applicant shall sign a written certificate to that effect. Such certificate shall be furnished  
31 by the Division and may be incorporated into the license application form. Any  
32 material misrepresentation made by such person on such certificate shall be grounds for  
33 suspension of that person's license for a period of 90 days.

34 For the purpose of this subsection, the term 'nonfleet private passenger motor  
35 vehicle' has the definition ascribed to it in Article 13C of General Statute Chapter 58.

36 The Commissioner may require that certificates required by this subsection be on a  
37 form approved by the Commissioner.

38 Nothing in this subsection precludes any person from showing proof of financial  
39 responsibility in any other manner authorized by Articles 9A and 13 of this Chapter.”

40 Sec. 3. G.S. 20-13.2(e) reads as rewritten:

41 "(e) Before the Division restores a driver's license that has been suspended or  
42 revoked under any provision of this Article, other than G.S. 20-24.1, the person seeking  
43 to have his driver's license restored shall submit to the Division proof that he has  
44 notified his insurance agent or company of his seeking the restoration and that he is

1 financially responsible. Proof of financial responsibility shall be in the form of a  
2 written certificate of any insurance carrier duly authorized to do business in this State  
3 certifying that there is in effect a nonfleet private passenger motor vehicle liability  
4 policy for the benefit of the person required to furnish proof of financial responsibility.  
5 ~~Such certificate shall state that the policy is in effect on the date of the restoration of the driver's~~  
6 ~~license but shall not in and of itself constitute a binder or policy of insurance.~~ The certificate  
7 shall state the effective date and expiration date of the nonfleet private passenger motor  
8 vehicle liability policy and shall state the date that the certificate is issued. The  
9 certificate shall remain effective proof of financial responsibility for a period of 30  
10 consecutive days following the date the certificate is issued but shall not in and of itself  
11 constitute a binder or policy of insurance.

12 If the applicant's insurer is authorized to do business in this State but does not have  
13 an agent resident in this State, the applicant may show proof of financial responsibility  
14 by producing a binder for or policy of nonfleet private passenger motor vehicle liability  
15 insurance, in which the applicant is a named insured. If the applicant is the registered  
16 owner of a motor vehicle in this State, the applicant may show proof of financial  
17 responsibility by producing the registration certificate issued by the Division.

18 The preceding provisions of this subsection do not apply to applicants who do not  
19 own currently registered motor vehicles and who do not operate nonfleet private  
20 passenger motor vehicles that are owned by other persons and ~~who do not reside in a~~  
21 ~~household wherein any other household member owns a motor vehicle~~ that are not insured  
22 under commercial motor vehicle liability insurance policies. In such cases, the  
23 applicant shall sign a written certificate to that effect. Such certificate shall be furnished  
24 by the Division and may be incorporated into the ~~license restoration~~ application form.  
25 Any material misrepresentation made by such person on such certificate shall be  
26 grounds for suspension of that person's license for a period of 90 days.

27 For the purposes of this subsection, the term 'nonfleet private passenger motor  
28 vehicle' has the definition ascribed to it in Article 13C of General Statute Chapter 58.

29 The Commissioner may require that certificates required by this subsection be on a  
30 form approved by the Commissioner. The financial responsibility required by this  
31 subsection shall be kept in effect for not less than three years after the date that the  
32 license is restored. Failure to maintain financial responsibility as required by this  
33 subsection shall be grounds for suspending the restored driver's license for a period of  
34 thirty (30) days. Nothing in this subsection precludes any person from showing proof of  
35 financial responsibility in any other manner authorized by Articles 9A and 13 of this  
36 Chapter."

37 Sec. 4. G.S. 20-16.1(g) reads as rewritten:

38 "(g) Any judge granting limited driving privileges under this section shall, prior to  
39 granting such privileges, be furnished proof and be satisfied that the person being  
40 granted such privileges is financially responsible. Proof of financial responsibility shall  
41 be in the form of a written certificate of any insurance carrier duly authorized to do  
42 business in this State certifying that there is in effect a nonfleet private passenger motor  
43 vehicle liability policy for the benefit of the person required to furnish proof of financial  
44 responsibility. ~~Such certificate shall state that the policy is in effect on the date such~~

1 ~~privileges are granted but shall not in and of itself constitute a binder or policy of insurance.~~  
2 The certificate shall state the effective date and expiration date of the nonfleet private  
3 passenger motor vehicle liability policy and shall state the date that the certificate is  
4 issued. The certificate shall remain effective proof of financial responsibility for a  
5 period of 30 consecutive days following the date the certificate is issued but shall not in  
6 and of itself constitute a binder or policy of insurance.

7 If the applicant's insurer is authorized to do business in this State but does not have  
8 an agent resident in this State, the applicant may show proof of financial responsibility  
9 by producing a binder for or policy of nonfleet private passenger motor vehicle liability  
10 insurance, in which the applicant is a named insured. If the applicant is the registered  
11 owner of a motor vehicle in this State, the applicant may show proof of financial  
12 responsibility by producing the registration certificate issued by the Division.

13 The preceding provisions of this subsection do not apply to applicants who do not  
14 own currently registered motor vehicles and who do not operate nonfleet private  
15 passenger motor vehicles that are owned by other persons and ~~who do not reside in a~~  
16 ~~household wherein any other household member owns a motor vehicle~~that are not insured  
17 under commercial motor vehicle liability insurance policies. In such cases, the  
18 applicant shall sign a written certificate to that effect. Such certificate shall be furnished  
19 by the Division. Any material misrepresentation made by such person on such  
20 certificate shall be grounds for suspension of that person's license for a period of 90  
21 days.

22 For the purpose of this subsection 'nonfleet private passenger motor vehicle' has the  
23 definition ascribed to it in Article 13C of General Statute Chapter 58.

24 The Commissioner may require that certificates required by this subsection be on a  
25 form approved by the Commissioner. Such granting of limited driving privileges shall  
26 be conditioned upon the maintenance of such financial responsibility during the period  
27 of the limited driving privilege. Nothing in this subsection precludes any person from  
28 showing proof of financial responsibility in any other manner authorized by Articles 9A  
29 and 13 of this Chapter.”

30 Sec. 5. G.S. 20-19(k) reads as rewritten:

31 "(k) Before the Division restores a driver's license that has been suspended or  
32 revoked under any provision of this Article, other than G.S. 20-24.1, the person seeking  
33 to have his driver's license restored shall submit to the Division proof that he has  
34 notified his insurance agent or company of his seeking the restoration and that he is  
35 financially responsible. Proof of financial responsibility shall be in the form of a  
36 written certificate of any insurance carrier duly authorized to do business in this State  
37 certifying that there is in effect a nonfleet private passenger motor vehicle liability  
38 policy for the benefit of the person required to furnish proof of financial responsibility.  
39 ~~Such certificate shall state that the policy is in effect on the date of the restoration of the driver's~~  
40 ~~license but shall not in and of itself constitute a binder or policy of insurance.~~ The certificate  
41 shall state the effective date and expiration date of the nonfleet private passenger motor  
42 vehicle liability policy and shall state the date that the certificate is issued. The  
43 certificate shall remain effective proof of financial responsibility for a period of 30

1 consecutive days following the date the certificate is issued but shall not in and of itself  
2 constitute a binder or policy of insurance.

3 If the applicant's insurer is authorized to do business in this State but does not have  
4 an agent resident in this State, the applicant may show proof of financial responsibility  
5 by producing a binder for or policy of nonfleet private passenger motor vehicle liability  
6 insurance, in which the applicant is a named insured. If the applicant is the registered  
7 owner of a motor vehicle in this State, the applicant may show proof of financial  
8 responsibility by producing the registration certificate issued by the Division.

9 The preceding provisions of this subsection do not apply to applicants who do not  
10 own currently registered motor vehicles and who do not operate nonfleet private  
11 passenger motor vehicles that are owned by other persons and ~~who do not reside in a~~  
12 ~~household wherein any other household member owns a motor vehicle~~ that are not insured  
13 under commercial motor vehicle liability insurance policies. In such cases, the  
14 applicant shall sign a written certificate to that effect. Such certificate shall be furnished  
15 by the Division and may be incorporated into the ~~license restoration~~ application form.  
16 Any material misrepresentation made by such person on such certificate shall be  
17 grounds for suspension of that person's license for a period of 90 days.

18 For the purposes of this subsection, the term 'nonfleet private passenger motor  
19 vehicle' has the definition ascribed to it in Article 13C of General Statute Chapter 58.

20 The Commissioner may require that certificates required by this subsection be on a  
21 form approved by the Commissioner. The financial responsibility required by this  
22 subsection shall be kept in effect for not less than three years after the date that the  
23 license is restored. Failure to maintain financial responsibility as required by this  
24 subsection shall be grounds for suspending the restored driver's license for a period of  
25 thirty (30) days. Nothing in this subsection precludes any person from showing proof of  
26 financial responsibility in any other manner authorized by Articles 9A and 13 of this  
27 Chapter.”

28 Sec. 6. G.S. 20-179.3(l) reads as rewritten:

29 "(l) Any judge granting limited driving privileges under this section shall, prior to  
30 granting such privileges, be furnished proof and be satisfied that the person being  
31 granted such privileges is financially responsible. Proof of financial responsibility shall  
32 be in the form of a written certificate of any insurance carrier duly authorized to do  
33 business in this State certifying that there is in effect a nonfleet private passenger motor  
34 vehicle liability policy for the benefit of the person required to furnish proof of financial  
35 responsibility. ~~Such certificate shall state that the policy is in effect on the date such privileges~~  
36 ~~are granted but shall not in and of itself constitute a binder or policy of insurance.~~ The  
37 certificate shall state the effective date and expiration date of the nonfleet private  
38 passenger motor vehicle liability policy and shall state the date that the certificate is  
39 issued. The certificate shall remain effective proof of financial responsibility for a  
40 period of 30 consecutive days following the date the certificate is issued but shall not in  
41 and of itself constitute a binder or policy of insurance.

42 If the applicant's insurer is authorized to do business in this State but does not have  
43 an agent resident in this State, the applicant may show proof of financial responsibility  
44 by producing a binder for or policy of nonfleet private passenger motor vehicle liability

1 insurance, in which the applicant is a named insured. If the applicant is the registered  
2 owner of a motor vehicle in this State, the applicant may show proof of financial  
3 responsibility by producing the registration certificate issued by the Division.

4 The preceding provisions of this subsection do not apply to applicants who do not  
5 own currently registered motor vehicles and who do not operate nonfleet private  
6 passenger motor vehicles that are owned by other persons and ~~who do not reside in a~~  
7 ~~household wherein any other household member owns a motor vehicle~~that are not insured  
8 under commercial motor vehicle liability insurance policies. In such cases, the  
9 applicant shall sign a written certificate to that effect. Such certificate shall be furnished  
10 by the Division. Any material misrepresentation made by such person on such  
11 certificate shall be grounds for suspension of that person's license for a period of 90  
12 days.

13 For the purpose of this subsection 'nonfleet private passenger motor vehicle' has the  
14 definition ascribed to it in Article 13C of General Statute Chapter 58.

15 The Commissioner may require that certificates required by this subsection be on a  
16 form approved by the Commissioner. Such granting of limited driving privileges shall  
17 be conditioned upon the maintenance of such financial responsibility during the period  
18 of the limited driving privilege. Nothing in this subsection precludes any person from  
19 showing proof of financial responsibility in any other manner authorized by Articles 9A  
20 and 13 of this Chapter.”

21 Sec. 7. This act is effective upon ratification.