

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005

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SENATE BILL 445

Short Title: Insurance Premium Discount/Prevention Course. (Public)

Sponsors: Senator Boseman.

Referred to: Commerce.

March 10, 2005

1 A BILL TO BE ENTITLED
2 AN ACT TO PROVIDE FOR AUTOMOBILE INSURANCE PREMIUM
3 DISCOUNTS OF AT LEAST TEN PERCENT FOR CERTAIN PERSONS WHO
4 COMPLETE ACCIDENT PREVENTION COURSES.

5 The General Assembly of North Carolina enacts:

6 **SECTION 1.** Article 36 of Chapter 58 of the General Statutes is amended by
7 adding a new section to read:

8 **"§ 58-36-66. Private passenger motor vehicle insurance premium rate reduction**
9 **for completion of accident prevention course.**

10 (a) The classification plan promulgated pursuant to G.S. 58-36-65 shall provide
11 for a reduction in premium rates of at least ten percent (10%) for liability and physical
12 damage coverages to those insureds 55 years of age or older who successfully complete
13 motor vehicle accident prevention courses approved by the Commissioner of Motor
14 Vehicles. Those insureds shall qualify for the reduction for a three-year period after the
15 policy issuance or renewal that follows the completion of the course. Each insured shall
16 successfully complete an approved course every three years to be eligible for the
17 reduction.

18 (b) Upon successfully completing an approved course, each insured shall be
19 issued a completion certificate by the course's sponsor, on a form approved by the
20 Commissioner of Motor Vehicles, which shall be the only acceptable evidence of
21 qualification for the reduction in rates.

22 No reduction in rates shall be allowed for any of the following:

23 (1) Self-instructed courses.

24 (2) Courses that do not provide actual classroom instruction for the
25 minimum number of hours prescribed by the Commissioner of Motor
26 Vehicles.

27 (3) Any course required to be taken by:

28 a. A court order;

29 b. A Division of Motor Vehicles order or regulation; or

1 c. A statutory mandate.

2 (c) An insured who has more than two Safe Driver Incentive Plan points assessed
3 against the insured is not eligible for the reduction in premium rates provided for in this
4 section. The insured's ineligibility shall continue until the insured no longer has more
5 than two Safe Driver Incentive Plan points and the insured successfully completes an
6 approved course.

7 (d) Insurers that write nonfleet private passenger motor vehicle insurance may
8 deviate from the reduction promulgated by the Bureau and approved by the
9 Commissioner to provide a greater discount as approved by the Commissioner.

10 (e) The provisions of this section shall not apply to rates used on motor vehicle
11 insurance policies reinsured by the North Carolina Motor Vehicle Reinsurance Facility
12 under Article 37 of this Chapter."

13 **SECTION 2.** The North Carolina Rate Bureau shall promulgate a revision to
14 the classification plan to implement this act. The Bureau shall file the revision with the
15 Commissioner of Insurance no later than September 1, 2005, and the revision shall
16 become effective January 1, 2006.

17 **SECTION 3.** Sections 2 and 3 of this act are effective when it becomes law.
18 The remainder of this act becomes effective January 1, 2006, and applies only to
19 nonfleet private passenger motor vehicle insurance policies that are issued or renewed
20 on and after January 1, 2006.