

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1989

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SENATE BILL 141\*  
Insurance Committee Substitute Adopted 5/5/89

Short Title: Proof of Insurance/Drivers License.

(Public)

Sponsors:

Referred to:

February 9, 1989

1 A BILL TO BE ENTITLED  
2 AN ACT TO AMEND THE PROOF OF FINANCIAL RESPONSIBILITY  
3 REQUIREMENTS FOR OBTAINING DRIVERS LICENSES AND LIMITED  
4 DRIVING PRIVILEGES.

5 The General Assembly of North Carolina enacts:

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

7 "(c1) In addition to the other requirements of this section, no person shall be issued a  
8 driver's license until such person has furnished proof that he is financially responsible.  
9 Proof of financial responsibility shall be in the form of one of the following forms:

10 (1) A written certificate or electronically-transmitted facsimile thereof of  
11 from any insurance carrier duly authorized to do business in this State  
12 certifying that there is in effect a nonfleet private passenger motor  
13 vehicle liability policy for the benefit of the person required to furnish  
14 proof of financial responsibility. ~~Such certificate shall state that the~~  
15 policy is in effect on the date of the issuance of the driver's license but shall  
16 not in and of itself constitute a binder or policy of insurance. ~~The~~  
17 certificate or facsimile shall state the effective date and expiration date  
18 of the nonfleet private passenger motor vehicle liability policy and  
19 shall state the date that the certificate or facsimile is issued. The  
20 certificate or facsimile shall remain effective proof of financial  
21 responsibility for a period of 30 consecutive days following the date  
22 the certificate or facsimile is issued but shall not in and of itself  
23 constitute a binder or policy of insurance or

1           (2) A binder for or policy of nonfleet private passenger motor vehicle  
2           liability insurance under which the applicant is insured, provided that  
3           the binder or policy states the effective date and expiration date of the  
4           nonfleet private passenger motor vehicle liability policy.

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 3C 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~~ one of the following  
9 forms:

- 10 (1) A written certificate or electronically-transmitted facsimile thereof of  
11 from any insurance carrier duly authorized to do business in this State  
12 certifying that there is in effect a nonfleet private passenger motor  
13 vehicle liability policy for the benefit of the person required to furnish  
14 proof of financial responsibility. Such certificate shall state that the  
15 policy is in effect on the date of the renewal of the driver's license but shall  
16 not in and of itself constitute a binder or policy of insurance. The  
17 certificate or facsimile shall state the effective date and expiration date  
18 of the nonfleet private passenger motor vehicle liability policy and  
19 shall state the date that the certificate or facsimile is issued. The  
20 certificate or facsimile shall remain effective proof of financial  
21 responsibility for a period of 30 consecutive days following the date  
22 the certificate or facsimile is issued but shall not in and of itself  
23 constitute a binder or policy of insurance or  
24 (2) A binder for or policy of nonfleet private passenger motor vehicle  
25 liability insurance under which the applicant is insured, provided that  
26 the binder or policy states the effective date and expiration date of the  
27 nonfleet private passenger motor vehicle liability policy.

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

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

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

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

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

1       (e) Before the Division restores a driver's license that has been suspended or  
2       revoked under any provision of this Article, other than G.S. 20-24.1, the person seeking  
3       to have his driver's license restored shall submit to the Division proof that he has  
4       notified his insurance agent or company of his seeking the restoration and that he is  
5       financially responsible. Proof of financial responsibility shall be in ~~the form of one of~~  
6       the following forms:

- 7           (1) A written certificate or electronically-transmitted facsimile thereof of  
8           from any insurance carrier duly authorized to do business in this State  
9           certifying that there is in effect a nonfleet private passenger motor  
10          vehicle liability policy for the benefit of the person required to furnish  
11          proof of financial responsibility. Such certificate shall state that the  
12          policy is in effect on the date of the restoration of the driver's license but  
13          shall not in and of itself constitute a binder or policy of insurance. The  
14          certificate or facsimile shall state the effective date and expiration date  
15          of the nonfleet private passenger motor vehicle liability policy and  
16          shall state the date that the certificate or facsimile is issued. The  
17          certificate or facsimile shall remain effective proof of financial  
18          responsibility for a period of 30 consecutive days following the date  
19          the certificate or facsimile is issued but shall not in and of itself  
20          constitute a binder or policy of insurance or  
21          (2) A binder for or policy of nonfleet private passenger motor vehicle  
22          liability insurance under which the applicant is insured, provided that  
23          the binder or policy states the effective date and expiration date of the  
24          nonfleet private passenger motor vehicle liability policy.

25       The preceding provisions of this subsection 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 restoration~~ application form.  
32       Any material misrepresentation made by such person on such certificate shall be  
33       grounds for suspension of that person's license for a period of 90 days.

34       For the purposes 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. The financial responsibility required by this  
38       subsection shall be kept in effect for not less than three years after the date that the  
39       license is restored. Failure to maintain financial responsibility as required by this  
40       subsection shall be grounds for suspending the restored driver's license for a period of  
41       30 days. Nothing in this subsection precludes any person from showing proof of  
42       financial responsibility in any other manner authorized by Articles 9A and 13 of this  
43       Chapter."

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

1 "(g) Any judge granting limited driving privileges under this section shall, prior to  
2 granting such privileges, be furnished proof and be satisfied that the person being  
3 granted such privileges is financially responsible. Proof of financial responsibility shall  
4 be in ~~the form of one of the following forms:~~

5 (1) A written certificate or electronically-transmitted facsimile thereof of  
6 from any insurance carrier duly authorized to do business in this State  
7 certifying that there is in effect a nonfleet private passenger motor  
8 vehicle liability policy for the benefit of the person required to furnish  
9 proof of financial responsibility. Such certificate shall state that the  
10 policy is in effect on the date such privileges are granted but shall not in and  
11 of itself constitute a binder or policy of insurance. The certificate or  
12 facsimile shall state the effective date and expiration date of the  
13 nonfleet private passenger motor vehicle liability policy and shall state  
14 the date that the certificate or facsimile is issued. The certificate or  
15 facsimile shall remain effective proof of financial responsibility for a  
16 period of 30 consecutive days following the date the certificate or  
17 facsimile is issued but shall not in and of itself constitute a binder or  
18 policy of insurance or

19 (2) A binder for or policy of nonfleet private passenger motor vehicle  
20 liability insurance under which the applicant is insured, provided that  
21 the binder or policy states the effective date and expiration date of the  
22 nonfleet private passenger motor vehicle liability policy.

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

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

34 The Commissioner may require that certificates required by this subsection be on a  
35 form approved by the Commissioner. Such granting of limited driving privileges shall  
36 be conditioned upon the maintenance of such financial responsibility during the period  
37 of the limited driving privilege. Nothing in this subsection precludes any person from  
38 showing proof of financial responsibility in any other manner authorized by Articles 9A  
39 and 13 of this Chapter."

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

41 "(k) 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 one of~~  
2 the following forms:

- 3 (1) A written certificate or electronically-transmitted facsimile thereof of  
4 from any insurance carrier duly authorized to do business in this State  
5 certifying that there is in effect a nonfleet private passenger motor  
6 vehicle liability policy for the benefit of the person required to furnish  
7 proof of financial responsibility. Such certificate shall state that the  
8 policy is in effect on the date of the restoration of the driver's license but  
9 shall not in and of itself constitute a binder or policy of insurance. The  
10 certificate or facsimile shall state the effective date and expiration date  
11 of the nonfleet private passenger motor vehicle liability policy and  
12 shall state the date that the certificate or facsimile is issued. The  
13 certificate or facsimile shall remain effective proof of financial  
14 responsibility for a period of 30 consecutive days following the date  
15 the certificate or facsimile is issued but shall not in and of itself  
16 constitute a binder or policy of insurance or
- 17 (2) A binder for or policy of nonfleet private passenger motor vehicle  
18 liability insurance under which the applicant is insured, provided that  
19 the binder or policy states the effective date and expiration date of the  
20 nonfleet private passenger motor vehicle liability policy.

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

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

32 The Commissioner may require that certificates required by this subsection be on a  
33 form approved by the Commissioner. The financial responsibility required by this  
34 subsection shall be kept in effect for not less than three years after the date that the  
35 license is restored. Failure to maintain financial responsibility as required by this  
36 subsection shall be grounds for suspending the restored driver's license for a period of  
37 30 days. Nothing in this subsection precludes any person from showing proof of  
38 financial responsibility in any other manner authorized by Articles 9A and 13 of this  
39 Chapter.”

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

41 "(l) Any judge granting limited driving privileges under this section shall, prior to  
42 granting such privileges, be furnished proof and be satisfied that the person being  
43 granted such privileges is financially responsible. Proof of financial responsibility shall  
44 be in ~~the form of~~ one of the following forms:

- 1           (1) A written certificate or electronically-transmitted facsimile thereof of  
2 from any insurance carrier duly authorized to do business in this State  
3 certifying that there is in effect a nonfleet private passenger motor  
4 vehicle liability policy for the benefit of the person required to furnish  
5 proof of financial responsibility. Such certificate shall state that the policy  
6 is in effect on the date such privileges are granted but shall not in and of  
7 itself constitute a binder or policy of insurance.—The certificate or  
8 facsimile shall state the effective date and expiration date of the  
9 nonfleet private passenger motor vehicle liability policy and shall state  
10 the date that the certificate or facsimile is issued. The certificate or  
11 facsimile shall remain effective proof of financial responsibility for a  
12 period of 30 consecutive days following the date the certificate or  
13 facsimile is issued but shall not in and of itself constitute a binder or  
14 policy of insurance or
- 15           (2) A binder for or policy of nonfleet private passenger motor vehicle  
16 liability insurance under which the applicant is insured, provided that  
17 the binder or policy states the effective date and expiration date of the  
18 nonfleet private passenger motor vehicle liability policy.

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

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

30           The Commissioner may require that certificates required by this subsection be on a  
31 form approved by the Commissioner. Such granting of limited driving privileges shall  
32 be conditioned upon the maintenance of such financial responsibility during the period  
33 of the limited driving privilege. Nothing in this subsection precludes any person from  
34 showing proof of financial responsibility in any other manner authorized by Articles 9A  
35 and 13 of this Chapter."

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