

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2005

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SENATE BILL 277  
Commerce Committee Substitute Adopted 5/31/05

Short Title: Motor Vehicle Self-Insurers.

(Public)

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Sponsors:

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Referred to:

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March 2, 2005

A BILL TO BE ENTITLED

1 AN ACT TO AUTHORIZE THE ISSUANCE OF A CERTIFICATE OF MOTOR  
2 VEHICLE SELF-INSURANCE FOR CERTAIN GROUPS TO ADDRESS THOSE  
3 ORGANIZATIONS EXEMPTED UNDER FEDERAL LAW.  
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5 The General Assembly of North Carolina enacts:

6 **SECTION 1.** G.S. 20-279.33 reads as rewritten:

7 "**§ 20-279.33. Self-insurers.**

8 (a) Any person in whose name more than 25 motor vehicles are registered may  
9 qualify as a self-insurer by obtaining a certificate of self-insurance issued by the  
10 Commissioner as provided in subsection (b) of this section. For the purpose of this  
11 Article, the State of North Carolina shall be considered a self-insurer.

12 (b) The Commissioner may, in his discretion, upon the application of such a  
13 person, issue a certificate of self-insurance when he is satisfied that such person is  
14 possessed and will continue to be possessed of ability to pay judgments obtained against  
15 such person.

16 (c) Upon not less than five days' notice and a hearing pursuant to such notice, the  
17 Commissioner may upon reasonable grounds cancel a certificate of self-insurance.  
18 Failure to pay any judgment within 30 days after such judgment shall have become final  
19 shall constitute a reasonable ground for the cancellation of a certificate of  
20 self-insurance.

21 (d) Notwithstanding any other provision of this section, any organized group of  
22 persons which has been in existence since January 1, 1970, may qualify as a self-insurer  
23 by obtaining a certificate of self-insurance issued by the Commissioner upon proof  
24 satisfactory to the Commissioner that each of the following conditions are met:

25 (1) Members of the group operate five or more registered vehicles which  
26 are either owned or leased by them.

27 (2) Members of the group hold a common belief in mutual financial  
28 assistance in time of need to the extent that they share in financial

1                    obligations of other members who would otherwise be unable to meet  
2                    their obligations.

3            (3)    The group has met all of its insurance obligations for the five years  
4                    preceding its application.

5            (4)    The group is financially solvent and not subject to any actions in  
6                    bankruptcy, trusteeship, receivership, or any other court proceeding in  
7                    which the group's financial solvency is in question.

8            (5)    Neither the group nor any of its members has any judgments arising  
9                    out of the operation, maintenance, or use of a motor vehicle taken  
10                   against which have remained unsatisfied for more than 30 days after  
11                   becoming final.

12           (6)    Each member has voluntarily forfeited all rights to any social security  
13                   payment or benefits under Titles II and XVIII of the Social Security  
14                   Act by submitting with the U.S. Department of the Treasury, Internal  
15                   Revenue Service, a Form 4029 and having that form duly approved.

16           (7)    There are no other factors which cause the Commissioner to believe  
17                   that the group and its members are not of sufficient financial ability to  
18                   pay judgments against them.

19            The Commissioner may, in the Commissioner's discretion, upon the application of a  
20                   group, issue a certificate of self-insurance when the Commissioner is satisfied that the  
21                   group applicant is possessed and will continue to be possessed of an ability to pay any  
22                   judgments that might be rendered against the group. The certificate shall apply to the  
23                   owners and operators who are members of the group.

24            The Commissioner may, at any time after the issuance of a certificate of  
25                   self-insurance under this subsection, cancel the certificate by giving 30 days' written  
26                   notice of cancellation to the group whenever there is reason to believe that the group to  
27                   whom the certificate was issued is no longer qualified as a self-insurer under this  
28                   subsection."

29                   **SECTION 2.** This act becomes effective July 1, 2005.