

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1989

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SENATE BILL 141*

Short Title: Proof of Insurance/Drivers License.

(Public)

Sponsors: Senators Parnell, Johnson of Wake, Martin of Pitt; Hunt of Durham, Guy, and Smith.

Referred to: Insurance.

February 9, 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. After the Division accepts the certificate as effective proof of an applicant's financial responsibility and issues a drivers license to the applicant, the Division shall retain the certificate until the expiration of the drivers license.

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

1 by producing a binder for or policy of nonfleet private passenger motor vehicle liability
2 insurance, under which the applicant is insured. If the applicant is the registered owner
3 of a motor vehicle in this State, the applicant may show proof of financial responsibility
4 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 motor vehicles and who do not operate nonfleet private passenger motor vehicles
7 that are owned by other persons and ~~who do not reside in a household wherein any other~~
8 ~~household member owns a motor vehicle~~ that are not insured under commercial motor
9 vehicle liability insurance policies. In such cases, the applicant shall sign a written
10 certificate to that effect. Such certificate shall be furnished by the Division and may be
11 incorporated into the license application form. Any material misrepresentation made by
12 such person on such certificate shall be grounds for suspension of that person's license
13 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. After the Division accepts the certificate as effective proof of an
19 applicant's financial responsibility and renews the applicant's drivers license, the
20 Division shall retain the certificate until the expiration of the drivers license.

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

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

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

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

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

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

43 "(e) Before the Division restores a driver's license that has been suspended or
44 revoked under any provision of this Article, the person seeking to have his driver's

1 license restored shall submit to the Division proof that he has notified his insurance
2 agent or company of his seeking the restoration and that he is financially responsible.
3 Proof of financial responsibility shall be in the form of a written certificate of any
4 insurance carrier duly authorized to do business in this State certifying that there is in
5 effect a nonfleet private passenger motor vehicle liability policy for the benefit of the
6 person required to furnish proof of financial responsibility. ~~Such certificate shall state that~~
7 ~~the policy is in effect on the date of the restoration of the driver's license but shall not in and of~~
8 ~~itself constitute a binder or policy of insurance.~~ The certificate shall state the effective date
9 and expiration date of the nonfleet private passenger motor vehicle liability policy and
10 shall state the date that the certificate is issued. The certificate shall remain effective
11 proof of financial responsibility for a period of 30 consecutive days following the date
12 the certificate is issued but shall not in and of itself constitute a binder or policy of
13 insurance. After the Division accepts the certificate as effective proof of an applicant's
14 financial responsibility and restores the applicant's drivers license, the Division shall
15 retain the certificate until the expiration of the drivers license.

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

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

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

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

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

42 "(g) Any judge granting limited driving privileges under this section shall, prior to
43 granting such privileges, be furnished proof and be satisfied that the person being
44 granted such privileges is financially responsible. Proof of financial responsibility shall

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

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

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

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

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

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

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

1 shall state the date that the certificate is issued. The certificate shall remain effective
2 proof of financial responsibility for a period of 30 consecutive days following the date
3 the certificate is issued but shall not in and of itself constitute a binder or policy of
4 insurance. After the Division accepts the certificate as effective proof of an applicant's
5 financial responsibility and restores the applicant's drivers license, the Division shall
6 retain the certificate until the expiration of the drivers license.

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 motor vehicles and who do not operate nonfleet private passenger motor vehicles
15 that are owned by other persons and ~~who do not reside in a household wherein any other~~
16 ~~household member owns a motor vehicle~~ that are not insured under commercial motor
17 vehicle liability insurance policies. In such cases, the applicant shall sign a written
18 certificate to that effect. Such certificate shall be furnished by the Division and may be
19 incorporated into the ~~license—restoration~~ application form. Any material
20 misrepresentation made by such person on such certificate shall be grounds for
21 suspension of that person's license for a period of 90 days.

22 For the purposes of this subsection, the term 'nonfleet private passenger motor
23 vehicle' has the 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. The financial responsibility required by this
26 subsection shall be kept in effect for not less than three years after the date that the
27 license is restored. Failure to maintain financial responsibility as required by this
28 subsection shall be grounds for suspending the restored driver's license for a period of
29 thirty (30) days. Nothing in this subsection precludes any person from showing proof of
30 financial responsibility in any other manner authorized by Articles 9A and 13 of this
31 Chapter.”

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

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

1 period of 30 consecutive days following the date the certificate is issued but shall not in
2 and of itself 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 motor vehicles and who do not operate nonfleet private passenger motor vehicles
11 that are owned by other persons and ~~who do not reside in a household wherein any other~~
12 ~~household member owns a motor vehicle~~ that are not insured under commercial motor
13 vehicle liability insurance policies. In such cases, the applicant shall sign a written
14 certificate to that effect. Such certificate shall be furnished by the Division. Any
15 material misrepresentation made by such person on such certificate shall be grounds for
16 suspension of that person's license for a period of 90 days.

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

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

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