

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1989

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HOUSE BILL 241
Committee Substitute Favorable 3/20/89
Corrected Copy 3/20/89

Short Title: Proof of Insurance/Drivers License.

(Public)

Sponsors:

Referred to:

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

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

1 of a motor vehicle in this State, the applicant may show proof of financial responsibility
2 by producing the registration certificate issued by the Division.

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

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

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

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

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

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

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

40 Provided further, that no person who applies for the renewal of his driver's license
41 shall be required to take a written examination or road test as a part of any such
42 examination unless such person has been convicted of a traffic violation or had prayer
43 for judgment continued with respect to any traffic violation within a four-year period
44 immediately preceding the date of such person's renewal application or unless such

1 person suffers from a mental or physical condition which impairs his ability to operate a
2 motor vehicle.

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

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

23 The provisions of the preceding paragraph 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 and may be incorporated into the license application form. Any
30 material misrepresentation made by such person on such certificate shall be grounds for
31 suspension of that person's license for a period of 90 days.

32 For the purpose of this subsection, the term 'nonfleet private passenger motor
33 vehicle' has the 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.

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

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

39 "(e) Before the Division restores a driver's license that has been suspended or
40 revoked under any provision of this Article, other than G.S. 20-24.1, the person seeking
41 to have his driver's license restored shall submit to the Division proof that he has
42 notified his insurance agent or company of his seeking the restoration and that he is
43 financially responsible. Proof of financial responsibility shall be in the form of a
44 written certificate of any insurance carrier duly authorized to do business in this State

1 certifying that there is in effect a nonfleet private passenger motor vehicle liability
2 policy for the benefit of the person required to furnish proof of financial responsibility.
3 ~~Such certificate shall state that the policy is in effect on the date of the restoration of the driver's~~
4 ~~license but shall not in and of itself constitute a binder or policy of insurance.—~~The certificate
5 shall state the effective date and expiration date of the nonfleet private passenger motor
6 vehicle liability policy and shall state the date that the certificate is issued. The
7 certificate shall remain effective proof of financial responsibility for a period of 30
8 consecutive days following the date the certificate is issued but shall not in and of itself
9 constitute a binder or policy of insurance.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 owner of a motor vehicle in this State, the applicant may show proof of financial
2 responsibility by producing the registration certificate issued by the Division.

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

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

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

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