

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1991

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SENATE BILL 307
Insurance Committee Substitute Adopted 4/11/91

Short Title: MV Insurance Cancellation.

(Public)

Sponsors:

Referred to:

March 27, 1991

A BILL TO BE ENTITLED

1 AN ACT TO PROVIDE THAT NOTICE OF CANCELLATION OF MOTOR
2 VEHICLE LIABILITY INSURANCE IS NOT REQUIRED IF A NEW POLICY IS
3 ISSUED AT THE SAME TIME THE OLD POLICY IS TERMINATED OR
4 CANCELLED.
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6 The General Assembly of North Carolina enacts:

7 Section 1. G.S. 20-309(e) reads as rewritten:

8 "(e) Upon termination by cancellation or otherwise of an insurance policy
9 provided in subsection (b) of this section, the insurer shall notify the Division of such
10 ~~termination-termination~~; provided, no cancellation notice is required if the insurer issues
11 a new insurance policy complying with this Article at the same time the insurer cancels
12 or otherwise terminates the old policy, no lapse in coverage results, and the insurer
13 sends the certificate of insurance form for the new policy to the Division. The Division,
14 upon receiving notice of cancellation or termination of an owner's financial
15 responsibility as required by this Article, shall notify such owner of such cancellation or
16 termination, and such owner shall, to retain the registration plate for the vehicle
17 registered or required to be registered, within 10 days from date of notice given by the
18 Division either:

- 19 (1) Certify to the Division that he had financial responsibility effective on
20 or prior to the date of such termination; or
21 (2) In the case of a lapse in financial responsibility, pay a fifty dollar
22 (\$50.00) civil penalty; and certify to the Division that he now has
23 financial responsibility effective on the date of certification, that he did

1 not operate the vehicle in question during the period of no financial
2 responsibility with the knowledge that there was no financial
3 responsibility, and that the vehicle in question was not involved in a
4 motor vehicle accident during the period of no financial responsibility.

5 Failure of the owner to certify that he has financial responsibility as herein required
6 shall be **prima facie** evidence that no financial responsibility exists with regard to the
7 vehicle concerned and unless the owner's registration plate has on or prior to the date of
8 termination of insurance been surrendered to the Division by surrender to an agent or
9 representative of the Division designated by the Commissioner, or depositing the same
10 in the United States mail, addressed to the Division of Motor Vehicles, Raleigh, North
11 Carolina, the Division shall revoke the vehicle's registration for 30 days.

12 In no case shall any vehicle, the registration of which has been revoked for failure to
13 have financial responsibility, be reregistered in the name of the registered owner,
14 spouse, or any child of the spouse, or any child of such owner within less than 30 days
15 after the date of receipt of the registration plate by the Division of Motor Vehicles,
16 except that a spouse living separate and apart from the registered owner may register
17 such vehicle immediately in such spouse's name. Additionally, as a condition precedent
18 to the reregistration of the vehicle by the registered owner, spouse, or any child of the
19 spouse, or any child of such owner, except a spouse living separate and apart from the
20 registered owner, the payment of a restoration fee of fifty dollars (\$50.00) and the
21 appropriate fee for a new registration plate is required. Any person, firm or corporation
22 failing to give notice of termination shall be subject to a civil penalty of two hundred
23 dollars (\$200.00) to be assessed by the Commissioner of Insurance upon a finding by
24 the Commissioner of Insurance that good cause is not shown for such failure to give
25 notice of termination to the Division."

26 Sec. 2. This act becomes effective July 1, 1991.