

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1993

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SENATE BILL 944

Short Title: Auto Ins. – Unauthorized Drivers.

(Public)

Sponsors: Senator Kincaid.

Referred to: Insurance.

April 22, 1993

A BILL TO BE ENTITLED

1 AN ACT TO CLARIFY THE RESPONSIBILITY OF INSURERS OF MOTOR
2 VEHICLES WITH REGARD TO UNSCHEDULED OR UNAUTHORIZED
3 DRIVERS.
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5 The General Assembly of North Carolina enacts:

6 Section 1. G.S. 20-279.21 is amended by adding a new subsection to read:

7 "(b1) Notwithstanding subdivision (2) of subsection (b) of this section, the
8 insurance carrier and the named insured may designate persons who will not be covered
9 by the policy of liability insurance. The insurance carrier and the named insured shall,
10 by terms of a written amendatory endorsement, the form of which shall be approved by
11 the Commissioner of Insurance, agree that coverage under the policy of liability
12 insurance shall not apply while the motor vehicle is being operated by a natural person
13 designated by name. The agreement, when signed by the named insured and the person
14 to be excluded, or by someone acting in the excluded person's behalf, is binding on
15 every insured to whom the policy applies. However, no natural person may be excluded
16 unless:

17 (1) The person's drivers license has been turned in to the Division of
18 Motor Vehicles; or

19 (2) An appropriate policy of liability insurance or other security,
20 authorized by law, has been properly executed in the name of the
21 excluded person.

22 The insurance carrier's agent writing the policy excluding the named driver shall
23 determine that the requirements of subdivisions (1) or (2) of this subsection have been
24 met before submitting the application for exclusion of the named driver. The Division

1 of Motor Vehicles shall furnish to the agent an affidavit either stating that the
2 requirements of subdivisions (1) or (2) of this subsection have been met."

3 Sec. 2. This act becomes effective October 1, 1993.