

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1991

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SENATE BILL 307

Short Title: MV Insurance Cancellation.

(Public)

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Sponsors: Senators Kincaid; and Simpson.

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Referred to: Insurance.

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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.  
5

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 a new insurance  
11 policy complying with this Article is issued at the same time the old policy is cancelled  
12 or otherwise terminated, no lapse in coverage results, and the certificate of insurance  
13 form for the new policy is sent to the Division. The Division, upon receiving notice of  
14 cancellation or termination of an owner's financial responsibility as required by this  
15 Article, shall notify such owner of such cancellation or termination, and such owner  
16 shall, to retain the registration plate for the vehicle registered or required to be  
17 registered, within 10 days from date of notice given by the Division either:

- 18 (1) Certify to the Division that he had financial responsibility effective on  
19 or prior to the date of such termination; or  
20 (2) In the case of a lapse in financial responsibility, pay a fifty dollar  
21 (\$50.00) civil penalty; and certify to the Division that he now has  
22 financial responsibility effective on the date of certification, that he did  
23 not operate the vehicle in question during the period of no financial  
24 responsibility with the knowledge that there was no financial

1 responsibility, and that the vehicle in question was not involved in a  
2 motor vehicle accident during the period of no financial responsibility.

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

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

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