

NORTH CAROLINA GENERAL ASSEMBLY
1967 SESSION

CHAPTER 1162
SENATE BILL 618

1 AN ACT RELATING TO EVIDENCE IN CERTAIN CIVIL ACTIONS.

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3 WHEREAS, it is the established public policy of North Carolina to require as a
4 prerequisite to the lawful licensing of a motor vehicle for use upon the public highways that the
5 owner of the vehicle have and maintain in full force and effect a liability insurance policy; and

6 WHEREAS, the owner of every motor vehicle has the absolute authority under the
7 law to allow or not to allow anyone else to operate his vehicle, but it is a growing custom of our
8 society that persons other than the titled owner operate a motor vehicle, and extend the use for
9 social and non-business use, and for the titled owner to allow, or acquiesce in general use of his
10 vehicle by others either as a fringe benefit or as a means of promoting the pleasure and
11 convenience of loved ones, including: friends, and for a titled owner initially to extend
12 permission for the social and nonbusiness use by an employee, friend or member of family who
13 in turn, as a matter of convenience or acquiescence, permits others to operate the vehicle; and

14 WHEREAS, many innocent and blameless citizens who are victims of serious
15 personal injuries and property loss are unable to receive any compensation whatsoever because
16 of difficulty of proof under the terms of liability insurance policies, and it is difficult and often
17 impossible for injured parties and operators to prove that one lawfully in possession of a
18 vehicle had the express or implied permission of the owner to drive on the very trip and
19 occasion of the collision; and

20 WHEREAS, liability coverage under the laws of North Carolina is provided for an
21 operator of a vehicle who has the "express or implied permission" of the titled owner but does
22 not extend to persons otherwise lawfully in possession of vehicles with the result that citizens
23 who operate another's vehicle with full reliance upon the existence of liability coverage often
24 find themselves to be victims of large judgments without any coverage whatsoever: Now,
25 therefore,

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27 The General Assembly of North Carolina do enact:

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29 **Section 1.** G.S. 20-279.21(b)(2) as the same appears in the 1965 Cumulative
30 Supplement of the General Statutes of North Carolina is hereby amended in line 3 by adding
31 after the "comma" and before the word "against" the following: "or any other persons in lawful
32 possession,".

33 **Sec. 2.** It shall be a defense to any action that the operator of a motor vehicle was
34 not in lawful possession on the occasion complained of.

35 **Sec. 3.** All laws and clauses of laws in conflict with this Act are hereby repealed.

36 **Sec. 4.** This Act shall be in full force and effect from and after its ratification, but
37 shall not affect any claims or causes of action arising before ratification.

38 In the General Assembly read three times and ratified, this the 6th day of July, 1967.