

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2003

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SENATE BILL 812

Short Title: School-Related License Suspension/Auto Ins.

(Public)

Sponsors: Senator Rand.

Referred to: Commerce.

April 3, 2003

A BILL TO BE ENTITLED

1 AN ACT TO DIMINISH THE IMPACT OF ELIGIBILITY FOR A DRIVING
2 ELIGIBILITY CERTIFICATE ON THE RATING AND UNDERWRITING OF
3 MOTOR VEHICLE INSURANCE COVERAGE.
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5 The General Assembly of North Carolina enacts:

6 **SECTION 1.** G.S. 20-11 is amended by adding a new subsection to read:

7 "(n2) Impact on Insurance. – Neither a person's ineligibility for a driving eligibility
8 certificate nor the suspension or revocation of a person's license or permit due to
9 ineligibility for a driving eligibility certificate shall be the sole basis for any adverse
10 treatment by an insurer of nonfleet private passenger motor vehicle insurance, including
11 treatment regarding underwriting decisions, rates, claims handling, or other business
12 practices."

13 **SECTION 2.** G.S. 20-13.2(c1) reads as rewritten:

14 "(c1) Upon receipt of notification from the proper school authority that a person no
15 longer meets the requirements for a driving eligibility certificate under G.S. 20-11(n),
16 the Division must expeditiously notify the person that his or her permit or license is
17 revoked effective on the tenth calendar day after the mailing of the revocation notice.
18 The Division must revoke the permit or license of that person on the tenth calendar day
19 after the mailing of the revocation notice. Notwithstanding subsection (d) of this
20 section, the length of revocation must last for the following periods:

- 21 (1) If the revocation is because of ineligibility for a driving eligibility
22 certificate under G.S. 20-11(n)(1), then the revocation shall last until
23 the person's eighteenth birthday.
24 (2) If the revocation is because of ineligibility for a driving eligibility
25 certificate under G.S. 20-11(n1), then the revocation shall be for a
26 period of one year.

27 For a person whose permit or license was revoked due to ineligibility for a driving
28 eligibility certificate under G.S. 20-11(n)(1), the Division must restore a person's permit

1 or license before the person's eighteenth birthday, if the person submits to the Division
2 one of the following:

3 (1) A high school diploma or its equivalent.

4 (2) A driving eligibility certificate as required under G.S. 20-11(n).

5 For a person whose permit or license was revoked due to ineligibility for a driving
6 eligibility certificate under G.S. 20-11(n1), the Division shall restore a person's permit
7 or license before the end of the revocation period, if the person submits to the Division a
8 driving eligibility certificate as required under G.S. 20-11(n).

9 Notwithstanding any other law, the decision concerning whether a driving eligibility
10 certificate was properly issued or improperly denied shall be appealed only as provided
11 under the rules adopted in accordance with G.S. 115C-12(28), 115D-5(a3), or
12 115C-566, whichever is applicable, and may not be appealed under this Chapter.

13 Notwithstanding any other provision of law, suspension or revocation of a person's
14 license or permit due to ineligibility for a driving eligibility certificate shall not be the
15 sole basis for any adverse treatment by an insurer of nonfleet private passenger motor
16 vehicle insurance, including treatment regarding underwriting decisions, rates, claims
17 handling, or other business practices."

18 **SECTION 3.** G.S. 58-36-10(4) reads as rewritten:

19 "(4) Risks may be grouped by classifications and lines of insurance for
20 establishment of rates, loss costs, and base premiums. Classification
21 rates may be modified to produce rates for individual risks in
22 accordance with rating plans that establish standards for measuring
23 variations in hazards or expense provisions or both. Those standards
24 may measure any differences among risks that can be demonstrated to
25 have a probable effect upon losses or expenses. The Bureau shall
26 establish and implement a comprehensive classification rating plan for
27 motor vehicle insurance under its jurisdiction. No such classification
28 plans shall base any standard or rating plan for private passenger
29 (nonfleet) motor vehicles, in whole or in part, directly or indirectly,
30 upon the age or gender of the persons ~~insured~~ insured or upon the fact
31 that the insured's license or permit has been suspended or revoked due
32 to ineligibility for a driving eligibility certificate. The Bureau shall at
33 least once every three years make a complete review of the filed
34 classification rates to determine whether they are proper and supported
35 by statistical evidence, and shall at least once every 10 years make a
36 complete review of the territories for nonfleet private passenger motor
37 vehicle insurance to determine whether they are proper and
38 reasonable."

39 **SECTION 4.** The North Carolina Rate Bureau shall adopt a revision to the
40 classification plan to reflect the provisions of this act. The Bureau shall file the revision
41 with the Commissioner no later than September 1, 2003, and the revision shall become
42 effective January 1, 2004.

1 **SECTION 5.** Sections 1, 2, and 3 of this act become effective January 1,
2 2004, and apply to all policies or certificates issued or renewed on or after that date. The
3 remainder of this act is effective when it becomes law.