

§ 20-309.2. Insurer shall notify Division of actions on insurance policies.

(a) Notice Required. – An insurer shall notify the Division upon any of the following with regard to a motor vehicle liability policy:

- (1) Issues a new or replacement policy.
- (2) Terminates a policy, either by cancellation or failure to renew, unless the same insurer issues a replacement policy complying with this Article at the same time the insurer terminates the old policy and no lapse in coverage results.
- (3) Reinstates a policy after the insurer has notified the Division of a cancellation or termination.

(a1) Division Records. – The Division shall ensure that its records accurately reflect the insurance coverage status of each owner of a motor vehicle registered or required to be registered in this State by reconciling all notices received under this section pertaining to that motor vehicle owner. A termination notice received under subdivision (2) of subsection (a) of this section shall not be recorded as a lapse in financial responsibility or initiate action by the Division under G.S. 20-311 if an earlier notice received by the Division under this section establishes that the owner of the motor vehicle has met the duty to have continuous financial responsibility for the vehicle, as required under G.S. 20-309, through a motor vehicle liability policy that is not the subject of the later termination notice.

(b) Time Period. – An insurer shall notify the Division as required by subsection (a) of this section within 20 business days.

(c) Form of Notice. – All insurers shall submit the notices required under this section by electronic means.

(d) Trade Secret Protection. – The names of insureds and the beginning date and termination date of insurance coverage provided to the Division by an insurer under this section constitutes a designated trade secret under G.S. 132-1.2.

(e) Civil Penalty. – The Commissioner of Insurance may assess a civil penalty of two hundred dollars (\$200.00) against an insurer that fails to notify the Division as required by this section. The Commissioner may waive the penalty if the insurer establishes good cause for the failure.

(f) Clear Proceeds of Penalties. – The clear proceeds of all civil penalties, civil forfeitures, and civil fines that are collected by the Department of Transportation pursuant to this section shall be remitted to the Civil Penalty and Forfeiture Fund in accordance with G.S. 115C-457.2. (2006-213, s. 1; 2007-484, s. 7(b); 2021-185, ss. 7, 12(a).)