

Article 11.

Liability Insurance Required of Persons Engaged in Renting Motor Vehicles.

§ 20-281. Liability insurance prerequisite to engaging in business; coverage of policy.

From and after July 1, 1953, it shall be unlawful for any person, firm or corporation to engage in the business of renting or leasing motor vehicles to the public for operation by the rentee or lessee unless such person, firm or corporation has secured insurance for his own liability and that of his rentee or lessee, in such an amount as is hereinafter provided, from an insurance company duly licensed to sell motor vehicle liability insurance in this State. Each such motor vehicle leased or rented must be covered by a policy of liability insurance insuring the owner and rentee or lessee and their agents and employees while in the performance of their duties against loss from any liability imposed by law for damages including damages for care and loss of services because of bodily injury to or death of any person and injury to or destruction of property caused by accident arising out of the operation of such motor vehicle, subject to the following minimum limits: fifty thousand dollars (\$50,000) because of bodily injury to or death of one person in any one accident, and one hundred thousand dollars (\$100,000) because of bodily injury to or death of two or more persons in any one accident, and fifty thousand dollars (\$50,000) because of injury to or destruction of property of others in any one accident. Provided, however, that nothing in this Article shall prevent such operators from qualifying as self-insurers under terms and conditions to be prepared and prescribed by the Commissioner of Motor Vehicles or by giving bond with personal or corporate surety, as now provided by G.S. 20-279.24, in lieu of securing the insurance policy hereinbefore provided for. (1953, c. 1017, s. 1; 1955, c. 1296; 1965, c. 349, s. 1; 1967, c. 277, s. 8; 1973, c. 745, s. 7; 1979, c. 832, s. 11; 1991, c. 469, s. 6; 1999-228, s. 7; 2023-133, s. 12(g); 2024-29, s. 8(c).)

§ 20-282. Cooperation in enforcement of Article.

The provisions of this Article shall be enforced by the Commissioner of Motor Vehicles in cooperation with the Commissioner of Insurance, the North Carolina Automobile Rate Administrative Office and with all law-enforcement officers and agents and other agencies of the State and the political subdivisions thereof. (1953, c. 1017, s. 2.)

§ 20-283. Compliance with Article prerequisite to issuance of license plates.

No license plates shall be issued by the Division of Motor Vehicles to operate a motor vehicle, for lease or rent for operation by the rentee or lessee, until the applicant for such license plates demonstrates to the Commissioner of Motor Vehicles that he has complied with the provisions of this Article. (1953, c. 1017, s. 3; 1975, c. 716, s. 5.)

§ 20-284. Violation a misdemeanor.

Any person, firm or corporation violating the provisions of this Article shall be guilty of a Class 1 misdemeanor. (1953, c. 1017, s. 4; 1993, c. 539, s. 385; 1994, Ex. Sess., c. 24, s. 14(c).)