

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1993

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HOUSE BILL 1094

Short Title: Delivery of Motor Vehicles.

(Public)

Sponsors: Representatives Cole; and Bowman.

Referred to: Judiciary II.

April 19, 1993

A BILL TO BE ENTITLED

AN ACT TO CLARIFY THE LAW RELATING TO THE CONDITIONAL DELIVERY OF MOTOR VEHICLES AND TO PROVIDE FOR INSURANCE COVERAGE FOR VEHICLES ADDED TO EXISTING POLICIES ON NONBUSINESS DAYS.

The General Assembly of North Carolina enacts:

Section 1. Chapter 20 of the General Statutes is amended by adding a new section to read:

"§ 20-75.1. Conditional delivery of motor vehicles.

Notwithstanding G.S. 20-52.1, 20-72, and 20-75, nothing contained in those sections prohibits a dealer from entering into a contract with any purchaser for the sale of a vehicle and delivering the vehicle to the purchaser under terms by which the dealer's obligation to execute the manufacturer's certificate of origin or the certificate of title is conditioned on: (i) the purchaser obtaining financing for the purchase of the vehicle; and (ii) the purchaser having liability, collision, and comprehensive insurance on another vehicle, which will cover the delivered vehicle without notification to the insurance agency servicing the insurance policy or the insurer if the insurance agency or insurer is not open for business. The insurance agency servicing the insurance policy or the insurer shall be notified of the conditional delivery of the vehicle on the next business day."

Sec. 2. G.S. 20-298 reads as rewritten:

"§ 20-298. Insurance.

(a) It shall be unlawful for any dealer or salesman or any employee of any dealer, to coerce or offer anything of value to any purchaser of a motor vehicle to provide any

1 type of insurance coverage on said motor vehicle. No dealer, salesman or representative
2 of either shall accept any policy as collateral on any vehicle sold by him to secure an
3 interest in such vehicle in any company not qualified under the insurance laws of this
4 State: Provided, nothing in this Article shall prevent a dealer or his representative from
5 requiring adequate insurance coverage on a motor vehicle which is the subject of an
6 installment sale.

7 (b) If title or interest in a motor vehicle is transferred by a dealer on a Saturday,
8 Sunday, or holiday to a person who has existing motor vehicle insurance, that motor
9 vehicle shall be covered by that insurance as of the time of the transfer of title or interest
10 if the insurer is notified by the dealer or the person of the transfer on the next day not
11 Saturday, Sunday, or holiday. This subsection is in addition to any other provisions of
12 law or insurance policies, and does not repeal or supersede those provisions."

13 Sec. 3. This act becomes effective October 1, 1993.