

**GENERAL ASSEMBLY OF NORTH CAROLINA**  
**SESSION 2003**

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**SENATE DRS65186-LT-63 (3/19)**

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

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Sponsors: Senator Rand.

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Referred to:

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A BILL TO BE ENTITLED

AN ACT TO DIMINISH THE IMPACT OF ELIGIBILITY FOR A DRIVING  
ELIGIBILITY CERTIFICATE ON THE RATING AND UNDERWRITING OF  
MOTOR VEHICLE INSURANCE COVERAGE.

The General Assembly of North Carolina enacts:

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

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

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

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

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

1 For a person whose permit or license was revoked due to ineligibility for a driving  
2 eligibility certificate under G.S. 20-11(n)(1), the Division must restore a person's permit  
3 or license before the person's eighteenth birthday, if the person submits to the Division  
4 one of the following:

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

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

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

11 Notwithstanding any other law, the decision concerning whether a driving eligibility  
12 certificate was properly issued or improperly denied shall be appealed only as provided  
13 under the rules adopted in accordance with G.S. 115C-12(28), 115D-5(a3), or  
14 115C-566, whichever is applicable, and may not be appealed under this Chapter.

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

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

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

41 **SECTION 4.** The North Carolina Rate Bureau shall adopt a revision to the  
42 classification plan to reflect the provisions of this act. The Bureau shall file the revision  
43 with the Commissioner no later than September 1, 2003, and the revision shall become  
44 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.