

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025

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HOUSE BILL 356
Committee Substitute Favorable 5/6/25
Senate Commerce and Insurance Committee Substitute Adopted 6/2/26
Senate Finance Committee Substitute Adopted 6/16/26
Senate Judiciary Committee Substitute Adopted 6/17/26

Short Title: Various Civil and Insurance Law Changes. (Public)

Sponsors:

Referred to:

March 12, 2025

A BILL TO BE ENTITLED

AN ACT TO MAKE TECHNICAL CORRECTIONS TO REMOVE REFERENCES TO PRELICENSING EDUCATION, TO PROHIBIT MORTGAGE LICENSEES FROM REQUIRING RECONSTRUCTION COST ESTIMATES AS A CONDITION OF ISSUING A LOAN, TO DELAY THE EFFECTIVE DATE FOR INEXPERIENCED OPERATOR CONTINUOUS COVERAGE REQUIREMENTS, TO AMEND REPORTING REQUIREMENTS FOR INEXPERIENCED DRIVERS, TO REQUIRE ACCEPTANCE OF CERTIFICATES OF INSURANCE AS PROOF OF INSURANCE, TO UPDATE PROVISIONS REGARDING PEER-TO-PEER VEHICLE SHARING, TO UPDATE THE NORTH CAROLINA PROFESSIONAL EMPLOYER ORGANIZATION ACT, TO ALLOW CASH CONVENIENCE FEES UNDER ONE DOLLAR WHEN AN INSURANCE PREMIUM IS BEING PAID IN CASH, TO MAKE VARIOUS CHANGES TO BAIL BONDSMEN REQUIREMENTS, TO REQUIRE BEACH PROPERTY INSURANCE COVERAGE FOR HABITATIONAL PROPERTY CONTENTS TO BE SET IN ACCORDANCE WITH STATE APPROVED RATES, TO ADD ARBITRATION REQUIREMENTS FOR UNINSURED AND UNDERINSURED MOTOR VEHICLE LIABILITY POLICIES, AND TO AUTHORIZE A LANDLORD TO CHARGE A TENANT THE FAIR MARKET VALUE FOR REQUIRED INSURANCE FOR THE LEASED PREMISES IF THE TENANT FAILS TO TIMELY PROVIDE PROOF OF THE REQUIRED INSURANCE.

The General Assembly of North Carolina enacts:

PART I. TECHNICAL CORRECTIONS TO REMOVE REFERENCES TO PRELICENSING EDUCATION

SECTION 1. G.S. 58-33-132 reads as rewritten:

"§ 58-33-132. **Qualifications of instructors.**

(a) The Commissioner may adopt rules to establish requisite qualifications for and issuance, renewal, summary suspension, and termination of provider, presenter, and instructor authority for ~~prelicensing and~~ continuing insurance education courses. During any suspension, the instructor shall not engage in any instruction of ~~prelicensing or~~ continuing insurance education courses prior to an administrative review. No person shall provide, present, or instruct any continuing education course unless that person has been qualified by and possesses a license from the Commissioner or administrator.



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1 (b) The Commissioner or administrator may summarily suspend or terminate the
2 authority of ~~an~~ a continuing education instructor, course provider, or presenter if ~~the course~~
3 ~~presentation~~ any of the following occur:

- 4 (1) ~~Is~~ The course presentation by that instructor, course provider, or presenter is
5 determined to be inaccurate; or ~~inaccurate.~~
6 (2) ~~Receives~~ The course presentation by that instructor, course provider, or
7 instructor receives an evaluation of poor from any Department monitor and a
8 majority of attendees responding to Department questionnaires about the
9 presentation."

10
11 **PART II. PROHIBIT MORTGAGE LICENSEES FROM REQUIRING THE**
12 **DISCLOSURE OF RECONSTRUCTION COST ESTIMATES**

13 **SECTION 2.(a)** G.S. 53-244.111 is amended by adding a new subdivision to read:

14 "(24) To fail to comply with G.S. 58-3-137(a)."

15 **SECTION 2.(b)** G.S. 58-3-137 is amended by adding a new subsection to read:

16 "(c) The Office of Commissioner of Banks may investigate the affairs of any person
17 licensed under G.S. 53-244.040 to whom this section applies to determine whether the person
18 has violated this section. If a violation of this section is found to have been committed knowingly,
19 the person in violation shall be subject to the same procedures and penalties as provided in
20 G.S. 53-244.116."

21 **SECTION 2.(c)** This section becomes effective October 1, 2026.

22
23 **PART III. DELAY EFFECTIVE DATE FOR INEXPERIENCED OPERATOR**
24 **CONTINUOUS COVERAGE**

25 **SECTION 3.** Section 8(d) of S.L. 2025-45 reads as rewritten:

26 "**SECTION 8.(d)** This section becomes effective ~~July 1, 2026.~~ January 1, 2027."

27
28 **PART IV. REPORTING REQUIREMENT FOR INEXPERIENCED DRIVERS**

29 **SECTION 4.(a)** G.S. 20-309.2 reads as rewritten:

30 "**§ 20-309.2. Insurer shall notify Division of actions on insurance policies.**

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

- 33 (1) Issues a new or replacement policy.
34 (2) Terminates a policy, either by cancellation or failure to renew, unless the same
35 insurer issues a replacement policy complying with this Article at the same
36 time the insurer terminates the old policy and no lapse in coverage results.
37 (3) Reinstates a policy after the insurer has notified the Division of a cancellation
38 or termination.
39 (4) A person with a North Carolina drivers license and who is subject to an
40 inexperienced operator premium surcharge pursuant to G.S. 58-36-65(k) is
41 added to or removed from the policy's coverage, or if a policy to which a ~~that~~
42 person subject to the inexperienced operator surcharge pursuant to
43 G.S. 58-36-65(k) was added has been canceled.

44 (a1) Division Records. – The Division shall ensure that its records accurately reflect the
45 insurance coverage status of: (i) each owner of a motor vehicle registered or required to be
46 registered in this State and (ii) persons with a North Carolina drivers license and who are subject
47 to an inexperienced operator premium surcharge pursuant to G.S. 58-36-65 by reconciling all
48 notices received under this section pertaining to that individual or motor vehicle owner. A
49 termination notice received under subdivision (2) of subsection (a) of this section shall not be
50 recorded as a lapse in financial responsibility or initiate action by the Division under G.S. 20-311
51 if an earlier notice received by the Division under this section establishes that the owner of the

1 motor vehicle has met the duty to have continuous financial responsibility for the vehicle, as
2 required under G.S. 20-309, through a motor vehicle liability policy that is not the subject of the
3 later termination notice.

4"

5 **SECTION 4.(b)** This section is effective January 1, 2027.

6
7 **PART V. REQUIRE ACCEPTANCE OF CERTIFICATES OF INSURANCE**

8 **SECTION 5.(a)** G.S. 58-3-149 reads as rewritten:

9 "**§ 58-3-149. Certificates of insurance.**

10 (a) For the purposes of this section, the following definitions apply:

11 ...

12 (3) Occupational licensing board. – As defined in G.S. 93B-1(2).

13 (4) State agency licensing board. – As defined in G.S. 93B-1(3).

14 ...

15 (f) With respect to any requirement to maintain insurance coverage, (i) the State, or any
16 department, agency, or political subdivision of the State, (ii) any county, municipality, or other
17 unit of local government, or (iii) any occupational licensing board or State agency licensing board
18 shall accept a certificate of insurance issued in accordance with this section as sufficient evidence
19 of the required coverage and shall not require any additional proof of coverage."

20 **SECTION 5.(b)** Chapter 93B of the General Statutes is amended by adding a new
21 section to read:

22 "**§ 93B-17. Proof of insurance requirements.**

23 Notwithstanding any other provision of law, an occupational licensing board or a State
24 agency licensing board shall accept a certificate of insurance issued in accordance with
25 G.S. 58-3-149 from an individual or firm who is applying for or maintaining a license issued by
26 that occupational licensing board or State agency licensing board."

27 **SECTION 5.(c)** This section becomes effective October 1, 2026.

28
29 **PART VI. REVISIONS TO LAWS GOVERNING PEER-TO-PEER VEHICLE**
30 **SHARING**

31 **SECTION 6.(a)** Article 10B of Chapter 20 of the General Statutes reads as rewritten:

32 "Article 10B.

33 "Peer-to-Peer Vehicle Sharing.

34 "**§ 20-280.15. Definitions.**

35 The following definitions apply in this Article:

36 (1) Airport operator. – As defined in G.S. 20-280.1.

37 (2) Peer-to-peer vehicle sharing. – The authorized use of a shared vehicle for
38 financial consideration by an individual other than the shared vehicle owner
39 through a peer-to-peer vehicle sharing program.

40 (3) Peer-to-peer vehicle sharing program. – A business platform that connects
41 shared vehicle owners with drivers to enable ~~the sharing of vehicles for~~
42 ~~financial consideration.~~ peer-to-peer vehicle sharing.

43 (4) Shared vehicle. – A vehicle that is available for ~~sharing through a peer-to-peer~~
44 ~~vehicle sharing program.~~ sharing.

45 (4a) Shared vehicle delivery period. – The period of time during which a shared
46 vehicle is being delivered to the location of the vehicle sharing start time, if
47 applicable, as documented by the governing vehicle sharing agreement.

48 (4b) Shared vehicle driver. – An individual who is authorized to drive the shared
49 vehicle by the shared vehicle owner under a vehicle sharing agreement.

50 (5) Shared vehicle owner. – The registered owner of a shared vehicle that is made
51 available for sharing through a peer-to-peer vehicle sharing program. vehicle.

1 or a person or entity designated by the registered owner, who has not made an
2 election under G.S. 105-187.5.

3 (5a) Vehicle sharing agreement. – The terms and conditions applicable to a shared
4 vehicle owner and a shared vehicle driver that govern the use of that shared
5 vehicle through a peer-to-peer vehicle sharing program.

6 (5b) Vehicle sharing period. – The period of time that commences with the shared
7 vehicle delivery period, or if there is no shared vehicle delivery period, the
8 vehicle sharing start time, and in either case ends at the vehicle sharing
9 termination time.

10 (6) ~~Vehicle sharing provider.~~ – ~~The person or entity that operates, facilitates, or~~
11 ~~administers the provision of personal vehicle sharing through a peer to peer~~
12 ~~vehicle sharing program.~~

13 (7) Vehicle sharing start time. – The time when a shared vehicle becomes subject
14 to the control of a shared vehicle driver at or after the time the reservation of
15 a shared vehicle is scheduled to begin as documented in the records of a
16 peer-to-peer vehicle sharing program.

17 (8) Vehicle sharing termination time. – The earliest occurrence of any of the
18 following events:

19 a. The expiration of the agreed upon period of time established for the
20 use of a shared vehicle according to the terms of the vehicle sharing
21 agreement if the shared vehicle is delivered to the location agreed upon
22 in the vehicle sharing agreement.

23 b. When the shared vehicle is returned to an alternate location agreed
24 upon by the shared vehicle owner and shared vehicle driver as
25 communicated through a peer-to-peer vehicle sharing program, which
26 alternate location shall be incorporated into the vehicle sharing
27 agreement.

28 c. When the shared vehicle owner, or the shared vehicle owner's
29 authorized designee, takes possession and control of the shared
30 vehicle.

31 **§ 20-280.19. Assumption of liability; exceptions.**

32 (a) Amount and Manner of Assumption of Liability. – Except as otherwise provided in
33 subsection (b) of this section, a peer-to-peer vehicle sharing program shall assume the liability
34 of a shared vehicle owner during the vehicle sharing period for any of the following:

35 (1) Bodily injury or property damage to third parties.

36 (2) Uninsured and underinsured motorist losses.

37 (3) Personal injury protection losses.

38 The liability shall be to the extent personal injury protection is required by law in an amount
39 stated in the vehicle sharing agreement. The liability amount shall not be less than that required
40 by G.S. 20-279.21(b)(2) and G.S. 20-279.21(b)(3) and the manner of the assumption of liability
41 shall also be the same as required by those statutes.

42 (b) Exceptions. – The assumption of liability under subsection (a) of this section does not
43 apply if any of the following apply:

44 (1) A shared vehicle owner makes an intentional or fraudulent material
45 misrepresentation or omission to the peer-to-peer vehicle sharing program
46 before the vehicle sharing period in which the loss occurred.

47 (2) A shared vehicle driver, acting in concert with a shared vehicle owner, fails to
48 return the shared vehicle pursuant to the terms of the vehicle sharing
49 agreement.

50 **§ 20-280.21. Insurance coverage.**

1 (a) Insurance Coverage of Shared Vehicle. – A peer-to-peer vehicle sharing program
2 shall ensure that during each vehicle sharing period, both the shared vehicle owner and the shared
3 vehicle driver are each insured under a motor vehicle liability insurance policy that provides
4 insurance coverage in amounts no less than the minimum amounts set forth in
5 G.S. 20-279.21(b)(2) and G.S. 20-279.21(b)(3). The motor vehicle liability insurance policy
6 shall also do one of the following:

7 (1) Acknowledge that the shared vehicle insured under the motor vehicle liability
8 insurance policy is made available and used in a peer-to-peer vehicle sharing
9 program.

10 (2) Not exclude the use of a shared vehicle in a peer-to-peer vehicle sharing
11 program by a shared vehicle driver.

12 (b) Maintenance of Insurance Coverage of Shared Vehicle. – The required motor vehicle
13 liability insurance policy shall be maintained by at least one of the following:

14 (1) The shared vehicle owner.

15 (2) The shared vehicle driver.

16 (3) The peer-to-peer vehicle sharing program.

17 (c) Insurance Coverage Differences. – The motor vehicle liability insurance policy
18 required under this section shall be the primary motor vehicle liability insurance policy during
19 each vehicle sharing period. If a claim occurs in another state with minimum financial
20 responsibility limits higher than those required by G.S. 20-279.21(b)(2) and
21 G.S. 20-279.21(b)(3) during the vehicle sharing period, the motor vehicle liability insurance
22 policy required by this section shall satisfy the difference in minimum coverage amounts, up to
23 the applicable policy limits.

24 (d) Assumption of Primary Liability. – The entity or entities maintaining the motor
25 vehicle liability insurance policy shall assume primary liability for a claim when any of the
26 following occur:

27 (1) A dispute exists as to who controlled the shared vehicle at the time of the loss
28 and the peer-to-peer vehicle sharing program does not have available, did not
29 retain, or fails to provide the information required by G.S. 20-280.25.

30 (2) A dispute exists as to whether the shared vehicle was returned to the alternate
31 location agreed upon by the shared vehicle owner and shared vehicle driver
32 and incorporated into the vehicle sharing agreement.

33 (e) Lapsed or Inadequate Insurance Coverage. – If the motor vehicle liability insurance
34 policy maintained by a shared vehicle owner or shared vehicle driver has lapsed or does not
35 provide the required coverage, the motor vehicle liability insurance policy maintained by a
36 peer-to-peer vehicle sharing program shall provide the required coverage beginning with the first
37 dollar of a claim and have the duty to defend that claim, except under the exceptions set forth in
38 G.S. 20-280.19(b).

39 (f) No Dependence on Another Insurance Policy. – Coverage under a motor vehicle
40 liability insurance policy maintained by the peer-to-peer vehicle sharing program shall not be
41 dependent on another automobile insurer first denying a claim nor shall another motor vehicle
42 liability insurance policy be required to first deny a claim.

43 **"§ 20-280.23. No limitations on liability; indemnification.**

44 No Limitations or Restrictions on Liability of Peer-to-Peer Vehicle Sharing Program;
45 Indemnification. – Nothing in this Article shall be interpreted as either limiting or restricting any
46 of the following:

47 (1) The liability of the peer-to-peer vehicle sharing program for any act or
48 omission of the peer-to-peer vehicle sharing program itself that results in
49 injury to any person as a result of the use of a shared vehicle through a
50 peer-to-peer vehicle sharing program.

- 1 (2) The ability of the peer-to-peer vehicle sharing program to, by contract, seek
2 indemnification from the shared vehicle owner or the shared vehicle driver for
3 economic loss sustained by the peer-to-peer vehicle sharing program resulting
4 from a breach of the terms and conditions of the vehicle sharing agreement.

5 **"§ 20-280.25. Notification of implications of lien on shared vehicle.**

6 At the time when a vehicle owner registers as a shared vehicle owner on a peer-to-peer vehicle
7 sharing program and prior to the time when the shared vehicle owner makes a shared vehicle
8 available for sharing on the peer-to-peer vehicle sharing program, the peer-to-peer vehicle
9 sharing program shall notify the shared vehicle owner that if the shared vehicle has a lien against
10 it, the use of the shared vehicle through the peer-to-peer vehicle sharing program, including use
11 without physical damage coverage, may violate the terms of the contract with the lienholder.

12 **"§ 20-280.27. Exclusions for personal motor vehicle liability insurance policies.**

13 (a) A motor vehicle insurer that writes motor vehicle liability insurance policies in this
14 State may exclude any and all coverage and the duty to defend or indemnify for any claim arising
15 out of peer-to-peer vehicle sharing that is covered under a shared vehicle owner's motor vehicle
16 liability insurance policy for any of the following:

- 17 (1) Liability coverage for bodily injury and property damage.
18 (2) Personal injury protection coverage.
19 (3) Uninsured and underinsured motorist coverage.
20 (4) Medical payments coverage.
21 (5) Comprehensive physical damage coverage.
22 (6) Collision physical damage coverage.

23 (b) Nothing in this Article shall be interpreted or construed as invalidating or limiting an
24 exclusion contained in a motor vehicle liability insurance policy, including any insurance policy
25 in use or approved for use that excludes coverage for motor vehicles made available for rent,
26 sharing, or hire or for any business use.

27 (c) Nothing in this Article shall be interpreted or construed as invalidating, limiting, or
28 restricting a motor vehicle insurer's ability to underwrite any insurance policy.

29 (d) Nothing in this Article shall be interpreted or construed as invalidating, limiting, or
30 restricting a motor vehicle insurer's ability to cancel and nonrenew policies, including for
31 participation in a peer-to-peer vehicle sharing program.

32 **"§ 20-280.29. Record keeping.**

33 (a) A peer-to-peer vehicle sharing program shall collect and verify records pertaining to
34 the use of the shared vehicle. The records shall include vehicle sharing times used, vehicle
35 sharing period pickup and drop-off locations, fees paid by the shared vehicle driver, and revenues
36 received by the shared vehicle owner. Upon request, this information shall be provided to the
37 shared vehicle driver, the shared vehicle owner, the shared vehicle owner's insurer, and the shared
38 vehicle driver's insurer for claim coverage investigation, settlement, negotiation, or litigation.

39 (b) The peer-to-peer vehicle sharing program shall retain all records required under this
40 section for a time period not less than the applicable personal injury statute of limitations.

41 **"§ 20-280.31. Vicarious liability.**

42 A peer-to-peer vehicle sharing program and a shared vehicle owner shall be exempt from
43 vicarious liability consistent with 49 U.S.C. § 30106 and under any state or local law that imposes
44 liability solely based on vehicle ownership.

45 **"§ 20-280.33. Contribution against indemnification.**

46 A motor vehicle insurer that defends or indemnifies a claim involving a shared vehicle that
47 is excluded under the terms of its policy shall have the right to seek contribution against the motor
48 vehicle insurer of the peer-to-peer vehicle sharing program if the claim meets all of the following
49 conditions:

- 50 (1) The claim is made against the shared vehicle owner or the shared vehicle
51 driver for loss or injury that occurs during the vehicle sharing period.

1 (2) The claim is excluded under the terms of its policy.

2 **"§ 20-280.35. Insurable interest.**

3 (a) Notwithstanding any provision of this Chapter and Chapter 58 of the General Statutes
4 and any other law regarding insurable interests in vehicles, a peer-to-peer vehicle sharing
5 program shall have an insurable interest in a shared vehicle during the vehicle sharing period.

6 (b) Nothing in this section creates liability on a peer-to-peer vehicle sharing program to
7 maintain the coverage mandated by this Article.

8 (c) A peer-to-peer vehicle sharing program may own and maintain as the named insured
9 one or more policies of motor vehicle liability insurance that provides coverage for any of the
10 following:

11 (1) Liabilities assumed by the peer-to-peer vehicle sharing program under a
12 vehicle sharing agreement.

13 (2) Any liability of the shared vehicle owner.

14 (3) Damage or loss to the shared motor vehicle.

15 (4) Any liability of the shared vehicle driver.

16 **"§ 20-280.37. Consumer protections for peer-to-peer vehicle sharing programs.**

17 Each vehicle sharing agreement made in this State shall disclose to the shared vehicle owner
18 and the shared vehicle driver, at a minimum, all of the following:

19 (1) Any right of the peer-to-peer vehicle sharing program to seek indemnification
20 from the shared vehicle owner or the shared vehicle driver for economic loss
21 sustained by the peer-to-peer vehicle sharing program resulting from a breach
22 of the terms and conditions of the vehicle sharing agreement.

23 (2) That a motor vehicle liability insurance policy issued to the shared vehicle
24 owner for the shared vehicle or to the shared vehicle driver does not provide
25 a defense or indemnification for any claim asserted by the peer-to-peer vehicle
26 sharing program.

27 (3) That the peer-to-peer vehicle sharing program's insurance coverage on the
28 shared vehicle owner and the shared vehicle driver is in effect only during
29 each vehicle sharing period and that the shared vehicle driver and the shared
30 vehicle owner may not have insurance coverage for any use of the shared
31 vehicle by the shared vehicle driver after the vehicle sharing termination time.

32 (4) The daily rate, fees, and, if applicable, any insurance or protection package
33 costs that are charged to the shared vehicle owner or the shared vehicle driver.

34 (5) The shared vehicle owner's motor vehicle liability insurance may not provide
35 coverage for a shared vehicle.

36 (6) An emergency telephone number to personnel capable of fielding roadside
37 assistance and other customer service inquiries.

38 (7) Any conditions under which a shared vehicle driver must maintain a motor
39 vehicle liability insurance policy with certain applicable coverage limits on a
40 primary basis in order to book a shared motor vehicle.

41 **"§ 20-280.39. Drivers license verification and data retention.**

42 (a) A peer-to-peer vehicle sharing program may not enter into a peer-to-peer vehicle
43 sharing program agreement with a shared vehicle driver unless the shared vehicle driver who will
44 operate the shared vehicle meets one of the following requirements:

45 (1) Has a valid drivers license issued pursuant to G.S. 20-7 that authorizes the
46 driver to operate a motor vehicle of the class of the shared vehicle.

47 (2) Is a nonresident of this State who meets all of the following requirements:

48 a. Has a valid drivers license issued by the state or country of the driver's
49 residence that authorizes the driver in that state or country to drive a
50 motor vehicle of the class of the shared vehicle.

b. Is at least the same age as that required of a resident of this State to operate a motor vehicle of the class of the shared vehicle.

(3) Is otherwise specifically authorized by the applicable provisions of G.S. 20-7 to operate a motor vehicle of the class of the shared vehicle.

(b) A peer-to-peer vehicle sharing program shall keep a record of all of the following:

(1) The name and address of the shared vehicle driver.

(2) The number of the valid drivers license of the shared vehicle driver and each other person, if any, who will operate the shared vehicle.

(3) The date and place of issuance of the class of valid drivers license for that class of vehicle of the shared vehicle driver.

"§ 20-280.41. Responsibility for equipment of a shared vehicle.

A peer-to-peer vehicle sharing program shall have sole responsibility for any equipment, such as a global positioning system (GPS) or other special equipment that is put in or on the vehicle to monitor or facilitate the vehicle sharing transaction, and shall agree to indemnify and hold harmless the shared vehicle owner for any damage to or theft of such equipment during the vehicle sharing period not caused by the shared vehicle owner. The peer-to-peer vehicle sharing program shall have the right to seek indemnity from the shared vehicle driver for any loss or damage to such equipment that occurs during the vehicle sharing period.

"§ 20-280.43. Automobile safety recalls.

(a) At the time when a vehicle owner registers as a shared vehicle owner on a peer-to-peer vehicle sharing program and prior to the time when the shared vehicle owner makes a shared vehicle available for sharing on the peer-to-peer vehicle sharing program, the peer-to-peer vehicle sharing program shall do all of the following:

(1) Verify that the shared vehicle does not have any safety recalls on the vehicle for which the repairs have not been made.

(2) Notify the shared vehicle owner of the requirements of this section.

(b) If the shared vehicle owner has received actual notice of a safety recall on the shared vehicle, the shared vehicle owner shall do the following:

(1) Refrain from making a vehicle available as a shared vehicle on a peer-to-peer vehicle sharing program until the safety recall repair has been made.

(2) Remove the shared vehicle as available on the peer-to-peer vehicle sharing program as soon as practicable after receiving the notice of the safety recall and until the safety recall repair has been made.

(3) Notify the peer-to-peer vehicle sharing program about the safety recall so that the shared vehicle owner may address the safety recall repair as soon as practicable."

SECTION 6.(b) This section becomes effective October 1, 2026, and applies to all peer-to-peer vehicle sharing agreements entered into on or after that date.

PART VII. NORTH CAROLINA PROFESSIONAL EMPLOYER ORGANIZATION ACT UPDATE

SECTION 7.(a) G.S. 58-89A-5 reads as rewritten:

"§ 58-89A-5. Definitions.

In this Article:

...

(3) "Audited GAAP financial statement" means a financial statement that is audited by an independent certified public accountant and presented in accordance with generally accepted accounting principles.

...

~~(16d) "Tangible net worth" means the difference between total tangible assets and total liabilities. For purposes of this definition, tangible assets are physical~~

1 assets and do not include goodwill, patents, copyrights, intellectual property,
2 trademarks, and any other non-physical asset.

3 "

4 **SECTION 7.(b)** G.S. 58-89A-60 reads as rewritten:

5 "**§ 58-89A-60. License application.**

6 ...

7 (b) Every applicant shall file with the Commissioner an audited GAAP financial
8 statement, prepared as of a date not more than 120 days before the date of application that
9 demonstrates that the applicant ~~has a tangible net worth of not less than fifty thousand dollars~~
10 ~~(\$50,000) and positive working capital.~~ or licensee's current assets exceed current liabilities. The
11 applicant shall attach to the audited financial statement a separate document signed by the
12 applicant's chief executive and the chief financial officer certifying that (i) each has reviewed the
13 audited financial statement; (ii) based on each signatory's knowledge, the audited financial
14 statement does not contain any untrue or misleading statement of material fact or omit a fact with
15 respect to the period covered by the audited financial statement; and (iii) based on each
16 signatory's knowledge, the audited financial statement fairly presents in all material respects the
17 financial condition of the applicant as of, and for, the period presented in the audited financial
18 statement.

19 Notwithstanding the requirements of this subsection, the Commissioner may, in the
20 Commissioner's discretion, accept an audited GAAP financial statement that has been prepared
21 more than 120 days before submission to the Commissioner if the Commissioner deems such
22 acceptance appropriate. The Commissioner may, in the Commissioner's discretion, impose
23 conditions upon such acceptance of audited financial statements prepared more than 120 days
24 prior to submission.

25 The audited GAAP financial statement shall be prepared and audited by an independent
26 certified public accountant licensed to practice in the jurisdiction in which such accountant is
27 located and shall be without qualification as to the going concern status of the applicant. Persons
28 applying for a professional employer organization group license may submit combined or
29 consolidated audited financial statements to meet the requirements of this section, provided that
30 the combined or consolidated audited financial statement include[s] a combining or consolidating
31 balance sheet and statement of operations of each proposed member as supplemental information
32 to the combined or consolidated audited financial statement. An applicant that does not have at
33 least 12 months of operating history may meet the financial requirements of this subsection by
34 filing with the Commissioner financial statements that have been reviewed by an independent
35 certified public accountant and that have been prepared as of a date not more than 90 days before
36 the date of application.

37 ...

38 (g1) The Commissioner may deny the license of an applicant under this Article if the
39 Commissioner finds any of the following:

40 (1) That an officer, director, or other controlling person ~~has~~ has done any of the
41 following:

- 42 a. Not met the requirements of G.S. 58-89A-40.
43 b. Made any untrue material statement or omitted any material
44 information regarding their background or experience.
45 c. Violated, or failed to comply with, any professional employer services
46 law or any rule or order of the Commissioner or of any other State
47 official responsible for the regulation of any aspect of the applicant's
48 business.
49 d. Obtained or attempted to obtain the license through misrepresentation
50 or fraud.
51 e. Been convicted of a felony.

- 1 f. Been found in a final judgment or administrative proceeding to have
2 committed fraud or an unfair trade practice.
- 3 g. Been an officer, director, or other controlling person in another
4 professional employer organization that has had its license or
5 registration suspended, terminated, or revoked by any state.
- 6 (2) That the applicant is not current with respect to all of its obligations for
7 payroll, payroll-related taxes, workers' compensation insurance, and
8 employee benefits and the applicant has failed to satisfy the Commissioner as
9 to the reasons why.
- 10 (3) That the applicant does not ~~possess~~possess positive working capital, or in lieu
11 of positive working capital, substitute security as provided under
12 G.S. 58-89A-50(a).
- 13 a. ~~A tangible net worth of not less than fifty thousand dollars (\$50,000).~~
14 b. ~~Positive working capital, or in lieu of positive working capital,~~
15 ~~substitute security as provided under G.S. 58-89A-50(a).~~
- 16 (4) ~~That the applicant has not provided evidence satisfactory to the Commissioner~~
17 ~~of financial responsibility.~~
- 18 (5) That the applicant has failed to satisfy the requirements of G.S. 58-89A-50.
- 19 (6) That a ground upon which the Commissioner could take disciplinary action
20 against a licensee or other person subject to licensure requirements pursuant
21 to G.S. 58-89A-155 applies to the applicant."

22 **SECTION 7.(c)** G.S. 58-89A-70 reads as rewritten:

23 **"§ 58-89A-70. License issuance and maintenance.**

24 ...

25 (e) In order to maintain licensure, each licensee may be required to file with the
26 Commissioner no later than 60 days after the end of each quarter of the fiscal year:

- 27 (1) A financial statement for the preceding quarter that is not audited but is set
28 forth in a format similar to the annual audited GAAP financial statement; and
29 (2) An attestation in the form required by subdivision (3a) of subsection (d) of
30 this section."

31
32 **PART VIII. CASH CONVENIENCE FEE UNDER ONE DOLLAR ALLOWED**

33 **SECTION 8.** G.S. 58-33-85(b) reads as rewritten:

34 "(b) No insurer, insurance producer, or limited representative shall knowingly charge to
35 or demand or receive from an applicant for insurance any money or other consideration in return
36 for the processing of applications or other forms or for the rendering of services associated with
37 a contract of insurance, which money or other consideration is in addition to the premium for
38 such contract, unless the applicant consents in writing before any services are rendered. This
39 subsection does not apply to the charging or collection of any fees otherwise provided for by
40 law-law, or any amount ninety-nine cents (99¢) or less, when paid in cash and considered a
41 convenience fee."

42
43 **PART IX. BAIL BONDSMEN AMENDMENTS**

44 **SECTION 9.(a)** G.S. 58-71-40 is amended by adding a new subsection to read:

45 "(a1) No electronic system shall act in the capacity of a professional bondsman, surety
46 bondsman, or runner or perform any of the functions, duties, or powers prescribed for
47 professional bondsmen, surety bondsmen, or runners under this Article. This subsection does not
48 apply to electronic monitoring devices, as defined in G.S. 14-226.3. A licensed professional
49 bondsman, surety bondsman, or runner shall be physically present at the time an appearance bond
50 is executed and posted and shall personally sign the bond before the judicial official, magistrate,
51 clerk, or detention facility officer accepting the bond. No appearance bond shall be executed,

1 acknowledged, or accepted solely through an electronic or automated process without the
2 physical presence of the licensed professional bondsman, surety bondsman, or runner posting the
3 bond."

4 **SECTION 9.(b)** G.S. 58-71-71 reads as rewritten:

5 "**§ 58-71-71. Examination; educational requirements; penalties.**

6 ...

7 (b) Each year by ~~June 30~~ May 15 every licensee shall complete at least three hours of
8 continuing education as provided by an approved provider in subjects related to the duties and
9 responsibilities of a runner or bail bondsman. This continuing education shall not include a
10 written or oral examination. A person who receives his or her first license on or after January 1
11 of any year does not have to comply with this subsection until ~~June 30~~ May 15 of the following
12 year.

13 ...

14 (g) Approved providers of prelicensing education and continuing education required
15 under this Article shall be independent third-party providers and shall not include the Department
16 of Insurance, the Bail Bond Regulatory Division, or any entity owned, operated, controlled,
17 administered, or substantially directed by the Department of Insurance.

18 The Department of Insurance, the Bail Bond Regulatory Division, and any employee,
19 contractor, or agent thereof shall not provide, sponsor, administer, directly conduct, or otherwise
20 serve as an approved provider of prelicensing education or continuing education courses required
21 under this Article for professional bondsmen, surety bondsmen, accommodation bondsmen, or
22 runners.

23 Nothing in this subsection shall prohibit the Department from issuing bulletins, advisory
24 notices, legal updates, disciplinary guidance, administrative memoranda, or regulatory materials
25 relating to the bail bond profession or from participating as a guest speaker or informational
26 presenter during educational programs conducted by an approved independent provider."

27 **SECTION 9.(c)** G.S. 58-71-72 is amended by adding a new subsection to read:

28 "(c) In adopting rules and administering the educational requirements of this Article, the
29 Commissioner shall ensure that all required prelicensing education and continuing education
30 programs are conducted solely through independent third-party providers. The Department of
31 Insurance, the Bail Bond Regulatory Division, and any entity owned, operated, controlled,
32 administered, or substantially directed by the Department shall not serve as an approved provider
33 of mandatory prelicensing education or continuing education under this Article."

34 **SECTION 9.(d)** This section becomes effective June 30, 2026.

35
36 **PART X. REQUIRE BEACH PROPERTY INSURANCE COVERAGE FOR**
37 **HABITATIONAL PROPERTY CONTENTS TO BE SENT IN ACCORDANCE WITH**
38 **STATE APPROVED RATES**

39 **SECTION 10.(a)** G.S. 58-45-41 reads as rewritten:

40 "**§ 58-45-41. Coverage limits.**

41 (a) The Association shall cause to be issued insurance up to the reasonable value of the
42 insurable property, subject to a maximum of one million dollars (\$1,000,000) on habitational
43 property. The above limits on habitational property shall apply to the value of the building only.
44 Insurance issued by the Association for commercial property shall not exceed four million dollars
45 (\$4,000,000) on any freestanding structure or any building unit within multiple firewall divisions,
46 provided the aggregate insurance on structures with multiple firewall divisions shall not exceed
47 ten million dollars (\$10,000,000) on all interest at one risk.

48 (b) ~~Contents of habitational property can be insured up to forty percent (40%) of the~~
49 ~~building value. The Association shall ensure that rates accurately reflect the maximum limits for~~
50 ~~contents coverage and any reduction in contents coverage limits for habitational property are~~
51 ~~governed by G.S. 58-45-45(a).~~

1 (c) If the value of the property exceeds the maximum coverage limits as described in this
2 section, the Association shall not issue coverage without the insured's purchase of excess
3 coverage to the full value of the property insured."

4 **SECTION 10.(b)** This section is effective January 1, 2027, and applies to contracts
5 issued, amended, and renewed on or after that date.

6
7 **PART X-A. UM/UIM ARBITRATION PROCEDURES**

8 **SECTION 10A.(a)** G.S. 20-279.21 reads as rewritten:

9 **"§ 20-279.21. "Motor vehicle liability policy" defined.**

10 ...

11 (f) Every motor vehicle liability policy shall be subject to the following provisions which
12 need not be contained therein:

13 ...

14 (5) For any uninsured or underinsured claim under a policy, if the insured and the
15 insurer do not agree whether the insured is legally entitled to recover
16 compensatory damages from the owner of an uninsured or underinsured motor
17 vehicle or the amount of compensatory damages, then the insured may
18 demand to settle these disputes by arbitration.

19 a. If an insured files a lawsuit against the insurer or the owner or operator
20 of an uninsured or underinsured vehicle seeking damages that are
21 subject to a claim for uninsured or underinsured motorist coverage
22 under the policy, the insured shall have the right to demand arbitration
23 only if both of the following apply:

24 1. The suit is filed within the time limit required by the law of the
25 state where the accident occurred for filing a lawsuit against
26 the owner or operator of the uninsured or underinsured motor
27 vehicle for the damages arising out of the accident.

28 2. The insured gives the insurer a written demand for arbitration
29 within 30 days after the filing of the lawsuit.

30 b. For underinsured motorist claims, the insured shall provide the insurer
31 notice of the arbitration demand within 30 days after the latest of the
32 following:

33 1. The date the insurer advances payment to the insured in an
34 amount equal to a tentative settlement between the insured and
35 the owner or operator of the underinsured motor vehicle.

36 2. The date any applicable liability bonds or policies have been
37 exhausted by payments of judgments or settlements.

38 3. The filing of a lawsuit pursuant to sub-subdivision a. of this
39 subdivision.

40 c. Unless the insured and insurer agree on a different procedure, the
41 following procedures shall be used for all arbitrations under this
42 subdivision:

43 1. Each party will select a competent arbitrator. The two selected
44 arbitrators will select a third competent and disinterested
45 arbitrator.

46 2. If the third arbitrator is not selected within 30 days, the insured
47 or insurer may request a judge of a court of record to name one.
48 The court must be in the county and state in which arbitration
49 is pending.

50 3. Each party will pay its chosen arbitrator and half of all other
51 expenses of arbitration. Fees to lawyers and expert witnesses

