

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025

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SENATE BILL 270

Short Title: Credit Property Insurance Restrictions.-AB (Public)

Sponsors: Senators Johnson, Britt, and Settle (Primary Sponsors).

Referred to: Rules and Operations of the Senate

March 13, 2025

A BILL TO BE ENTITLED

AN ACT PROHIBITING THE INCLUSION OF CERTAIN AUTOMOBILE PHYSICAL
DAMAGE INSURANCE COVERAGE IN A CREDIT PROPERTY INSURANCE
POLICY, AS RECOMMENDED BY THE DEPARTMENT OF INSURANCE.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 58-57-100 reads as rewritten:

"§ 58-57-100. **Credit property insurance; automobile physical damage insurance.**

...

(c) Automobile physical damage insurance as described in this section shall not include any of the following:

(1) Coverage for the cost of repossession.

(2) Skip, confiscation, and conversion coverage. For the purposes of this subdivision, "skip, confiscation, and conversion coverage" means insurance which provides coverage when a borrower has sold, traded, or disposed of the collateral, or the borrower and the collateral cannot be found.

(3) Coverage that requires a borrower's insurance deductible to be less than two hundred fifty dollars (\$250.00).

(4) Coverage that is broader than the insurance coverages that meet the minimum insurance requirements in subsection (a) of this section.

(d) Nothing in subsection (c) of this section prohibits the issuance of a separate policy or endorsement providing the coverages listed in subsection (c) of this section, so long as no charge is passed along to the borrower for those coverages."

SECTION 2. This act is effective when it becomes law and applies to contracts issued, renewed, or amended on or after that date.

