

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 2025

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SENATE BILL 298

Short Title: Inexperienced Operator Continuous Coverage.

(Public)

Sponsors: Senator Johnson (Primary Sponsor).

Referred to: Rules and Operations of the Senate

March 18, 2025

A BILL TO BE ENTITLED

AN ACT REQUIRING DRIVERS SUBJECT TO THE INEXPERIENCED DRIVER PREMIUM SURCHARGE TO MAINTAIN OR BENEFIT FROM CONTINUOUS LIABILITY COVERAGE.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 20-16 reads as rewritten:

"§ 20-16. Authority of Division to suspend license.

(a) The Division shall have authority to suspend the license of any operator with or without a preliminary hearing upon a showing by its records or other satisfactory evidence that the licensee:

...

(6a) Has violated G.S. 20-309(a3);

...."

SECTION 2. G.S. 20-309 reads as rewritten:

"§ 20-309. Financial responsibility prerequisite to registration; must be maintained throughout registration period.

...

(a3) No person subject to an inexperienced operator premium surcharge pursuant to G.S. 58-36-65(k) shall operate a motor vehicle unless the liability insurance policy benefiting that person includes any required premium surcharge. This subsection shall not apply to persons who demonstrate financial responsibility in an authorized manner other than a liability insurance policy.

...."

SECTION 3. G.S. 20-309.2 reads as rewritten:

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

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

...

(4) A person subject to an inexperienced operator premium surcharge pursuant to G.S. 58-36-65(k) is added or removed from the policy's coverage.

(a1) Division Records. – The Division shall ensure that its records accurately reflect the insurance coverage status of: (i) each owner of a motor vehicle registered or required to be registered in this State and (ii) persons subject to an inexperienced operator premium surcharge pursuant to G.S. 58-36-65 by reconciling all notices received under this section pertaining to that individual or motor vehicle owner. A termination notice received under subdivision (2) of subsection (a) of this section shall not be recorded as a lapse in financial responsibility or initiate



1 action by the Division under G.S. 20-311 if an earlier notice received by the Division under this
2 section establishes that the owner of the motor vehicle has met the duty to have continuous
3 financial responsibility for the vehicle, as required under G.S. 20-309, through a motor vehicle
4 liability policy that is not the subject of the later termination notice.

5"

6 **SECTION 4.** This act becomes effective October 1, 2025.