

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

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 CREATE THE NORTH CAROLINA MOTOR VEHICLE GLASS ACT, 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, AND TO REQUIRE BEACH PROPERTY INSURANCE COVERAGE FOR HABITATIONAL PROPERTY CONTENTS TO BE SET IN ACCORDANCE WITH STATE APPROVED RATES.

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.

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

- (1) ~~Is The course presentation by that instructor, course provider, or presenter is determined to be inaccurate; or~~ inaccurate.



- 1 (2) ~~Receives~~ The course presentation by that instructor, course provider, or
2 instructor receives an evaluation of poor from any Department monitor and a
3 majority of attendees responding to Department questionnaires about the
4 presentation."
5

6 **PART II. PROHIBIT MORTGAGE LICENSEES FROM REQUIRING THE**
7 **DISCLOSURE OF RECONSTRUCTION COST ESTIMATES**

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

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

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

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

16 **SECTION 2.(c)** This section becomes effective October 1, 2026.
17

18 **PART III. DELAY EFFECTIVE DATE FOR INEXPERIENCED OPERATOR**
19 **CONTINUOUS COVERAGE**

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

21 "**SECTION 8.(d)** This section becomes effective ~~July 1, 2026.~~ January 1, 2027."
22

23 **PART IV. REPORTING REQUIREMENT FOR INEXPERIENCED DRIVERS**

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

25 "**§ 20-309.2. Insurer shall notify Division of actions on insurance policies.**

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

28 (1) Issues a new or replacement policy.

29 (2) Terminates a policy, either by cancellation or failure to renew, unless the same
30 insurer issues a replacement policy complying with this Article at the same
31 time the insurer terminates the old policy and no lapse in coverage results.

32 (3) Reinstates a policy after the insurer has notified the Division of a cancellation
33 or termination.

34 (4) A person with a North Carolina drivers license and who is subject to an
35 inexperienced operator premium surcharge pursuant to G.S. 58-36-65(k) is
36 added to or removed from the policy's coverage, or if a policy to which ~~a~~that
37 person subject to the inexperienced operator surcharge pursuant to
38 G.S. 58-36-65(k) was added has been canceled.

39 (a1) Division Records. – The Division shall ensure that its records accurately reflect the
40 insurance coverage status of: (i) each owner of a motor vehicle registered or required to be
41 registered in this State and (ii) persons with a North Carolina drivers license and who are subject
42 to an inexperienced operator premium surcharge pursuant to G.S. 58-36-65 by reconciling all
43 notices received under this section pertaining to that individual or motor vehicle owner. A
44 termination notice received under subdivision (2) of subsection (a) of this section shall not be
45 recorded as a lapse in financial responsibility or initiate action by the Division under G.S. 20-311
46 if an earlier notice received by the Division under this section establishes that the owner of the
47 motor vehicle has met the duty to have continuous financial responsibility for the vehicle, as
48 required under G.S. 20-309, through a motor vehicle liability policy that is not the subject of the
49 later termination notice.

50 "

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

1
2 **PART V. REQUIRE ACCEPTANCE OF CERTIFICATES OF INSURANCE**

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

4 **"§ 58-3-149. Certificates of insurance.**

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

6 ...

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

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

9 ...

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

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

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

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

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

23
24 **PART VI. REVISIONS TO LAWS GOVERNING PEER-TO-PEER VEHICLE**
25 **SHARING**

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

27 "Article 10B.

28 "Peer-to-Peer Vehicle Sharing.

29 **"§ 20-280.15. Definitions.**

30 The following definitions apply in this Article:

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

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

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

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

40 (4a) Shared vehicle delivery period. – The period of time during which a shared
41 vehicle is being delivered to the location of the vehicle sharing start time, if
42 applicable, as documented by the governing vehicle sharing agreement.

43 (4b) Shared vehicle driver. – An individual who is authorized to drive the shared
44 vehicle by the shared vehicle owner under a vehicle sharing agreement.

45 (5) Shared vehicle owner. – The registered owner of a shared ~~vehicle that is made~~
46 available for sharing through a peer-to-peer vehicle sharing program vehicle,
47 or a person or entity designated by the registered owner, who has not made an
48 election under G.S. 105-187.5.

49 (5a) Vehicle sharing agreement. – The terms and conditions applicable to a shared
50 vehicle owner and a shared vehicle driver that govern the use of that shared
51 vehicle through a peer-to-peer vehicle sharing program.

- 1 (5b) Vehicle sharing period. – The period of time that commences with the shared
2 vehicle delivery period, or if there is no shared vehicle delivery period, the
3 vehicle sharing start time, and in either case ends at the vehicle sharing
4 termination time.
- 5 (6) ~~Vehicle sharing provider.~~ – ~~The person or entity that operates, facilitates, or~~
6 ~~administers the provision of personal vehicle sharing through a peer-to-peer~~
7 ~~vehicle sharing program.~~
- 8 (7) Vehicle sharing start time. – The time when a shared vehicle becomes subject
9 to the control of a shared vehicle driver at or after the time the reservation of
10 a shared vehicle is scheduled to begin as documented in the records of a
11 peer-to-peer vehicle sharing program.
- 12 (8) Vehicle sharing termination time. – The earliest occurrence of any of the
13 following events:
- 14 a. The expiration of the agreed upon period of time established for the
15 use of a shared vehicle according to the terms of the vehicle sharing
16 agreement if the shared vehicle is delivered to the location agreed upon
17 in the vehicle sharing agreement.
- 18 b. When the shared vehicle is returned to an alternate location agreed
19 upon by the shared vehicle owner and shared vehicle driver as
20 communicated through a peer-to-peer vehicle sharing program, which
21 alternate location shall be incorporated into the vehicle sharing
22 agreement.
- 23 c. When the shared vehicle owner, or the shared vehicle owner's
24 authorized designee, takes possession and control of the shared
25 vehicle.

26 **§ 20-280.19. Assumption of liability; exceptions.**

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

- 30 (1) Bodily injury or property damage to third parties.
31 (2) Uninsured and underinsured motorist losses.
32 (3) Personal injury protection losses.

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

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

- 39 (1) A shared vehicle owner makes an intentional or fraudulent material
40 misrepresentation or omission to the peer-to-peer vehicle sharing program
41 before the vehicle sharing period in which the loss occurred.
- 42 (2) A shared vehicle driver, acting in concert with a shared vehicle owner, fails to
43 return the shared vehicle pursuant to the terms of the vehicle sharing
44 agreement.

45 **§ 20-280.21. Insurance coverage.**

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

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

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

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

8 (1) The shared vehicle owner.

9 (2) The shared vehicle driver.

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

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

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

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

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

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

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

37 **"§ 20-280.23. No limitations on liability; indemnification.**

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

41 (1) The liability of the peer-to-peer vehicle sharing program for any act or
42 omission of the peer-to-peer vehicle sharing program itself that results in
43 injury to any person as a result of the use of a shared vehicle through a
44 peer-to-peer vehicle sharing program.

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

49 **"§ 20-280.25. Notification of implications of lien on shared vehicle.**

50 At the time when a vehicle owner registers as a shared vehicle owner on a peer-to-peer vehicle
51 sharing program and prior to the time when the shared vehicle owner makes a shared vehicle

1 available for sharing on the peer-to-peer vehicle sharing program, the peer-to-peer vehicle
2 sharing program shall notify the shared vehicle owner that if the shared vehicle has a lien against
3 it, the use of the shared vehicle through the peer-to-peer vehicle sharing program, including use
4 without physical damage coverage, may violate the terms of the contract with the lienholder.

5 **"§ 20-280.27. Exclusions for personal motor vehicle liability insurance policies.**

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

10 (1) Liability coverage for bodily injury and property damage.

11 (2) Personal injury protection coverage.

12 (3) Uninsured and underinsured motorist coverage.

13 (4) Medical payments coverage.

14 (5) Comprehensive physical damage coverage.

15 (6) Collision physical damage coverage.

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

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

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

25 **"§ 20-280.29. Record keeping.**

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

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

34 **"§ 20-280.31. Vicarious liability.**

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

38 **"§ 20-280.33. Contribution against indemnification.**

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

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

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

46 **"§ 20-280.35. Insurable interest.**

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

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

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

- 4 (1) Liabilities assumed by the peer-to-peer vehicle sharing program under a
5 vehicle sharing agreement.
- 6 (2) Any liability of the shared vehicle owner.
- 7 (3) Damage or loss to the shared motor vehicle.
- 8 (4) Any liability of the shared vehicle driver.

9 **"§ 20-280.37. Consumer protections for peer-to-peer vehicle sharing programs.**

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

- 12 (1) Any right of the peer-to-peer vehicle sharing program to seek indemnification
13 from the shared vehicle owner or the shared vehicle driver for economic loss
14 sustained by the peer-to-peer vehicle sharing program resulting from a breach
15 of the terms and conditions of the vehicle sharing agreement.
- 16 (2) That a motor vehicle liability insurance policy issued to the shared vehicle
17 owner for the shared vehicle or to the shared vehicle driver does not provide
18 a defense or indemnification for any claim asserted by the peer-to-peer vehicle
19 sharing program.
- 20 (3) That the peer-to-peer vehicle sharing program's insurance coverage on the
21 shared vehicle owner and the shared vehicle driver is in effect only during
22 each vehicle sharing period and that the shared vehicle driver and the shared
23 vehicle owner may not have insurance coverage for any use of the shared
24 vehicle by the shared vehicle driver after the vehicle sharing termination time.
- 25 (4) The daily rate, fees, and, if applicable, any insurance or protection package
26 costs that are charged to the shared vehicle owner or the shared vehicle driver.
- 27 (5) The shared vehicle owner's motor vehicle liability insurance may not provide
28 coverage for a shared vehicle.
- 29 (6) An emergency telephone number to personnel capable of fielding roadside
30 assistance and other customer service inquiries.
- 31 (7) Any conditions under which a shared vehicle driver must maintain a motor
32 vehicle liability insurance policy with certain applicable coverage limits on a
33 primary basis in order to book a shared motor vehicle.

34 **"§ 20-280.39. Drivers license verification and data retention.**

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

- 38 (1) Has a valid drivers license issued pursuant to G.S. 20-7 that authorizes the
39 driver to operate a motor vehicle of the class of the shared vehicle.
- 40 (2) Is a nonresident of this State who meets all of the following requirements:
 - 41 a. Has a valid drivers license issued by the state or country of the driver's
42 residence that authorizes the driver in that state or country to drive a
43 motor vehicle of the class of the shared vehicle.
 - 44 b. Is at least the same age as that required of a resident of this State to
45 operate a motor vehicle of the class of the shared vehicle.
- 46 (3) Is otherwise specifically authorized by the applicable provisions of G.S. 20-7
47 to operate a motor vehicle of the class of the shared vehicle.

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

- 49 (1) The name and address of the shared vehicle driver.
- 50 (2) The number of the valid drivers license of the shared vehicle driver and each
51 other person, if any, who will operate the shared vehicle.

1 in which the insurer agrees to provide financial protection or reimbursement
2 for specific losses, damages, or risks in exchange for payment of premiums.

3 (4) Insurance producer. – An individual or business entity required to be licensed
4 under the laws of this State to sell, solicit, or negotiate insurance or annuity
5 contracts, including an agent, managing general agent, surplus lines broker,
6 reinsurance intermediary broker and manager, rental vehicle agent, rental
7 vehicle agent managing employee, or consultant.

8 (5) Insured. – A person that is entitled, or may be entitled, to receive first-party
9 benefits or payments under an insurance policy.

10 (6) Motor vehicle glass. – The glass and any advanced driver assistance system
11 associated with the replacement of the glass used in the windshield, doors, or
12 windows of a motor vehicle.

13 (7) Motor vehicle glass repair shop. – Any person, including the person's
14 employees and agents, that, for consideration, engages in the repair or
15 replacement of motor vehicle glass.

16 (8) Notice. – Direct written communications, including verifiable text, email, or
17 application-based messaging.

18 (9) Person. – Any individual, corporation, limited liability company, partnership,
19 association, or other group existing under or authorized by the laws of the
20 State or the United States.

21 (10) Repair or replacement of damaged motor vehicle glass. – Services that include
22 all of the following:

23 a. Inspecting, repairing, restoring, or replacing damaged motor vehicle
24 glass.

25 b. Calibrating or recalibrating an advanced driver assistance system
26 when an incident requires the replacement of damaged motor vehicle
27 glass.

28 (11) Rights or benefits under the insurance policy. – The insured's right to receive
29 any and all post-loss benefits or payments available or payable under the
30 insurance policy, including claim payments.

31 **"§ 20-355.2. Post-loss benefit assignment.**

32 (a) An insured under a property and casualty insurance policy shall not, either prior to or
33 after a claimed or covered loss for damaged motor vehicle glass, assign, delegate, or otherwise
34 transfer, in whole or in part, to any other person, the insured's duties under the insurance policy
35 or the rights or benefits under the insurance policy.

36 (b) Any contract entered into in violation of this section shall be void and unenforceable.

37 (c) Nothing in this section shall be construed to prohibit an insured from authorizing or
38 directing payment to, or paying, a person for services, materials, or any other thing which may
39 be, or is, covered under an insurance policy.

40 **"§ 20-355.3. Advanced driver assistance systems.**

41 (a) Prior to providing service to an insured for repair or replacement of damaged motor
42 vehicle glass, a motor vehicle glass repair shop shall notify the insured of all of the following for
43 a motor vehicle with an advanced driver assistance system:

44 (1) If the calibration or recalibration of the motor vehicle's advanced driver
45 assistance system will be needed after a windshield repair or replacement as
46 recommended by the motor vehicle manufacturer.

47 (2) If the motor vehicle glass repair shop intends to calibrate or recalibrate the
48 advanced driver assistance system in a manner that meets the motor vehicle
49 manufacturer's specifications.

50 (3) If the motor vehicle glass repair shop is not capable of performing or does not
51 intend to perform a calibration or recalibration, that the motor vehicle should

1 be taken to the motor vehicle manufacturer's certified dealership or a qualified
2 specialist capable of performing the calibration or recalibration.

3 (b) When calibration or recalibration of the motor vehicle's advanced driver assistance
4 system is performed, the motor vehicle glass repair shop shall provide written notice to the
5 insured that includes all of the following:

6 (1) If the calibration or recalibration was successful or not.

7 (2) If the calibration or recalibration was not successful, that the motor vehicle
8 should be taken to the motor vehicle manufacturer's certified dealership or a
9 qualified specialist capable of performing the calibration or recalibration.

10 **"§ 20-355.4. Motor vehicle glass repair claims and practices.**

11 (a) A motor vehicle glass repair shop shall not contract with a person for a repair or
12 replacement of damaged motor vehicle glass to be paid for under a first-party insurance policy
13 until all of the following conditions are met:

14 (1) The person has made a first-party claim for the repair or replacement of the
15 damaged motor vehicle glass under a motor vehicle insurance policy.

16 (2) The motor vehicle glass repair shop has received a claim or referral number
17 for the claim.

18 (3) The notification requirements for motor vehicles with advanced driver
19 assistance systems set forth in G.S. 20-355.3 have been satisfied, if needed.

20 (b) A motor vehicle glass repair shop performing repairs shall comply with all of the
21 following:

22 (1) Prior to performing repairs or replacement of motor vehicle glass, provide the
23 insured with a good-faith estimate of the fees and costs that are anticipated to
24 be charged to the insured by the motor vehicle glass repair shop for the repair
25 or replacement of damaged motor vehicle glass.

26 (2) Prior to performing repairs or replacement of motor vehicle glass, provide the
27 insured an updated estimate, if different than the good-faith estimate provided
28 under subdivision (1) of this subsection.

29 (3) Charge the reasonable and customary fees for costs to repair or replace the
30 damaged motor vehicle glass and any associated calibration or recalibration
31 of the motor vehicle's advanced driver assistance system, if needed, as
32 recommended by the motor vehicle manufacturer's specifications.

33 (4) Provide any notice or invoice required by this Article in at least 14-point type
34 or in a font size larger than the remainder of the document, whichever is larger.

35 (5) Satisfy the requirements set forth in G.S. 20-355.33.

36 (c) Upon completion of a repair or replacement of damaged motor vehicle glass, a motor
37 vehicle glass repair shop shall provide the insured with all of the following:

38 (1) An itemized invoice and, upon payment, a receipt.

39 (2) Notice that states that the calibration or recalibration of the advanced driver
40 assistance system was not successful and that the insured should not rely on
41 the advanced driver assistance system until the calibration or recalibration has
42 been successfully completed by the motor vehicle manufacturer's certified
43 dealership or a qualified specialist capable of performing the calibration or
44 recalibration, if needed.

45 **"§ 20-355.5. Prohibited acts.**

46 (a) A motor vehicle glass repair shop, or any other person who is compensated for the
47 solicitation of insurance claims, shall not offer a rebate, gift, gift card, cash, coupon, fee, prize,
48 bonus, payment, incentive, inducement, or any other thing of value to any insured, insurance
49 producer, or other person in exchange for directing or making a claim under a motor vehicle
50 insurance policy for repair or replacement of damaged motor vehicle glass.

51 (b) A motor vehicle glass repair shop shall not do any of the following:

- 1 (1) Submit false, misleading, or incomplete documentation or information to an
2 insured or insurer, including any agent of the insured or insurer, for repair or
3 replacement of damaged motor vehicle glass.
- 4 (2) With respect to an insured's claim or potential claim for repair or replacement
5 of damaged motor vehicle glass, do any of the following, which results or
6 would result in a higher insurance payment or a change of insurance coverage
7 status:
- 8 a. Indicate that work was performed in a geographical area that was not
9 the geographical area where the work occurred.
- 10 b. Advise an insured to falsify the date of damage.
- 11 (3) Falsely sign a work order or other insurance-related form relating to the
12 insured's claim, or potential claim, for a repair or replacement of damaged
13 motor vehicle glass.
- 14 (4) Misrepresent to an insured or the insurer, including any agent of the insured
15 or insurer, the price of a proposed repair or replacement of damaged motor
16 vehicle glass.
- 17 (5) Falsely state that an insurer has approved a repair or replacement of damaged
18 motor vehicle glass.
- 19 (6) State that a repair or replacement of damaged motor vehicle glass will be paid
20 entirely by an insurer at no cost to the insured unless this has been verified by
21 the insurer or the insurer's agent.
- 22 (7) With respect to an insured's claim, or potential claim, for a repair or
23 replacement of damaged motor vehicle glass:
- 24 a. Damage, or encourage an insured to damage, the motor vehicle in
25 order to increase the scope of the repair or replacement of damaged
26 motor vehicle glass.
- 27 b. Perform work that is clearly and substantially beyond the level of work
28 necessary to restore the motor vehicle to a safe, pre-damaged condition
29 in accordance with accepted or approved reasonable and customary
30 techniques for the repair or replacement of damaged motor vehicle
31 glass.
- 32 c. Misrepresent the motor vehicle glass repair shop's relationship to an
33 insured or insurer's agent.
- 34 d. Perform any other act that constitutes fraud or misrepresentation.

35 (c) It may be presumed that a motor vehicle glass repair shop is acting knowingly in
36 violation of this section if the motor vehicle glass repair shop engages in a regular and consistent
37 pattern of any of these prohibited activities.

38 **"§ 20-355.6. Right to choose motor vehicle glass repair shop.**

39 (a) An insured that makes a first-party claim for repair or replacement of damaged motor
40 vehicle glass under a motor vehicle insurance policy shall not be required to use a particular
41 motor vehicle glass repair shop to receive claim payments or other benefits under the motor
42 vehicle insurance policy.

43 (b) This section shall not be construed to do any of the following:

- 44 (1) Prohibit an insurer, insurance producer or adjuster, or any person acting on
45 behalf of an insurer or insurance producer or adjuster, from recommending a
46 motor vehicle glass repair shop or providing an explanation to an insured of
47 the coverage available, and any applicable liability limit, under any insurance
48 policy.
- 49 (2) Prohibit an insurer from maintaining a network of motor vehicle repair shops.
- 50 (3) Create a private cause of action.

51 **"§ 20-355.7. Penalties.**

1 (a) The Commissioner of Insurance may assess a civil penalty for a violation of this
2 Article as follows:

3 (1) Seven hundred fifty dollars (\$750.00) for the first violation.

4 (2) One thousand five hundred dollars (\$1,500) for the second violation.

5 (3) Two thousand five hundred dollars (\$2,500) for the third violation.

6 (b) All civil penalties collected by the Department of Insurance pursuant to this section
7 shall be remitted to the Civil Penalty and Forfeiture Fund in accordance with G.S. 115C-457.2.

8 (c) The Department of Insurance shall adopt rules necessary to administer and implement
9 this Article, including rules to enforce compliance with this Article."

10 **SECTION 7.(b)** This section becomes effective October 1, 2027, and applies to
11 insurance policies issued or renewed on or after that date.

12 13 **PART VIII. NORTH CAROLINA PROFESSIONAL EMPLOYER ORGANIZATION** 14 **ACT UPDATE**

15 **SECTION 8.(a)** G.S. 58-89A-5 reads as rewritten:

16 **"§ 58-89A-5. Definitions.**

17 In this Article:

18 ...

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

22 ...

23 ~~(16d) "Tangible net worth" means the difference between total tangible assets and~~
24 ~~total liabilities. For purposes of this definition, tangible assets are physical~~
25 ~~assets and do not include goodwill, patents, copyrights, intellectual property,~~
26 ~~trademarks, and any other non-physical asset.~~

27 "

28 **SECTION 8.(b)** G.S. 58-89A-60 reads as rewritten:

29 **"§ 58-89A-60. License application.**

30 ...

31 (b) Every applicant shall file with the Commissioner an audited GAAP financial
32 statement, prepared as of a date not more than 120 days before the date of application that
33 demonstrates that the applicant ~~has a tangible net worth of not less than fifty thousand dollars~~
34 ~~(\$50,000) and positive working capital. or licensee's current assets exceed current liabilities.~~ The
35 applicant shall attach to the audited financial statement a separate document signed by the
36 applicant's chief executive and the chief financial officer certifying that (i) each has reviewed the
37 audited financial statement; (ii) based on each signatory's knowledge, the audited financial
38 statement does not contain any untrue or misleading statement of material fact or omit a fact with
39 respect to the period covered by the audited financial statement; and (iii) based on each
40 signatory's knowledge, the audited financial statement fairly presents in all material respects the
41 financial condition of the applicant as of, and for, the period presented in the audited financial
42 statement.

43 Notwithstanding the requirements of this subsection, the Commissioner may, in the
44 Commissioner's discretion, accept an audited GAAP financial statement that has been prepared
45 more than 120 days before submission to the Commissioner if the Commissioner deems such
46 acceptance appropriate. The Commissioner may, in the Commissioner's discretion, impose
47 conditions upon such acceptance of audited financial statements prepared more than 120 days
48 prior to submission.

49 The audited GAAP financial statement shall be prepared and audited by an independent
50 certified public accountant licensed to practice in the jurisdiction in which such accountant is
51 located and shall be without qualification as to the going concern status of the applicant. Persons

1 applying for a professional employer organization group license may submit combined or
 2 consolidated audited financial statements to meet the requirements of this section, provided that
 3 the combined or consolidated audited financial statement include[s] a combining or consolidating
 4 balance sheet and statement of operations of each proposed member as supplemental information
 5 to the combined or consolidated audited financial statement. An applicant that does not have at
 6 least 12 months of operating history may meet the financial requirements of this subsection by
 7 filing with the Commissioner financial statements that have been reviewed by an independent
 8 certified public accountant and that have been prepared as of a date not more than 90 days before
 9 the date of application.

10 ...

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

- 13 (1) That an officer, director, or other controlling person ~~has~~has done any of the
 14 following:
- 15 a. Not met the requirements of G.S. 58-89A-40.
 - 16 b. Made any untrue material statement or omitted any material
 17 information regarding their background or experience.
 - 18 c. Violated, or failed to comply with, any professional employer services
 19 law or any rule or order of the Commissioner or of any other State
 20 official responsible for the regulation of any aspect of the applicant's
 21 business.
 - 22 d. Obtained or attempted to obtain the license through misrepresentation
 23 or fraud.
 - 24 e. Been convicted of a felony.
 - 25 f. Been found in a final judgment or administrative proceeding to have
 26 committed fraud or an unfair trade practice.
 - 27 g. Been an officer, director, or other controlling person in another
 28 professional employer organization that has had its license or
 29 registration suspended, terminated, or revoked by any state.
- 30 (2) That the applicant is not current with respect to all of its obligations for
 31 payroll, payroll-related taxes, workers' compensation insurance, and
 32 employee benefits and the applicant has failed to satisfy the Commissioner as
 33 to the reasons why.
- 34 (3) That the applicant does not ~~possess~~possess positive working capital, or in lieu
 35 of positive working capital, substitute security as provided under
 36 G.S. 58-89A-50(a).
- 37 a. ~~A tangible net worth of not less than fifty thousand dollars (\$50,000).~~
 - 38 b. ~~Positive working capital, or in lieu of positive working capital,~~
 39 ~~substitute security as provided under G.S. 58-89A-50(a).~~
- 40 (4) ~~That the applicant has not provided evidence satisfactory to the Commissioner~~
 41 ~~of financial responsibility.~~
- 42 (5) That the applicant has failed to satisfy the requirements of G.S. 58-89A-50.
- 43 (6) That a ground upon which the Commissioner could take disciplinary action
 44 against a licensee or other person subject to licensure requirements pursuant
 45 to G.S. 58-89A-155 applies to the applicant."

46 **SECTION 8.(c)** G.S. 58-89A-70 reads as rewritten:

47 "**§ 58-89A-70. License issuance and maintenance.**

48 ...

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

- 1 (1) A financial statement for the preceding quarter that is not audited but is set
2 forth in a format similar to the annual audited GAAP financial statement; and
3 (2) An attestation in the form required by subdivision (3a) of subsection (d) of
4 this section."
5

6 PART IX. CASH CONVENIENCE FEE UNDER ONE DOLLAR ALLOWED

7 SECTION 9. G.S. 58-33-85(b) reads as rewritten:

8 "(b) No insurer, insurance producer, or limited representative shall knowingly charge to
9 or demand or receive from an applicant for insurance any money or other consideration in return
10 for the processing of applications or other forms or for the rendering of services associated with
11 a contract of insurance, which money or other consideration is in addition to the premium for
12 such contract, unless the applicant consents in writing before any services are rendered. This
13 subsection does not apply to the charging or collection of any fees otherwise provided for by
14 ~~law-law~~, or any amount ninety-nine cents (99¢) or less, when paid in cash and considered a
15 convenience fee."
16

17 PART X. BAIL BONDSMEN AMENDMENTS

18 SECTION 10.(a) G.S. 58-71-40 is amended by adding a new subsection to read:

19 "(a1) No electronic system shall act in the capacity of a professional bondsman, surety
20 bondsman, or runner or perform any of the functions, duties, or powers prescribed for
21 professional bondsmen, surety bondsmen, or runners under this Article. This subsection does not
22 apply to electronic monitoring devices, as defined in G.S. 14-226.3. A licensed professional
23 bondsman, surety bondsman, or runner shall be physically present at the time an appearance bond
24 is executed and posted and shall personally sign the bond before the judicial official, magistrate,
25 clerk, or detention facility officer accepting the bond. No appearance bond shall be executed,
26 acknowledged, or accepted solely through an electronic or automated process without the
27 physical presence of the licensed professional bondsman, surety bondsman, or runner posting the
28 bond."

29 SECTION 10.(b) G.S. 58-71-71 reads as rewritten:

30 "§ 58-71-71. Examination; educational requirements; penalties.

31 ...

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

38 ...

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

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

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

1 **SECTION 10.(c)** G.S. 58-71-72 is amended by adding a new subsection to read:

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

8 **SECTION 10.(d)** This section becomes effective June 30, 2026.
9

10 **PART XI. REQUIRE BEACH PROPERTY INSURANCE COVERAGE FOR**
11 **HABITATIONAL PROPERTY CONTENTS TO BE SENT IN ACCORDANCE WITH**
12 **STATE APPROVED RATES**

13 **SECTION 11.(a)** G.S. 58-45-41 reads as rewritten:

14 "**§ 58-45-41. Coverage limits.**

15 (a) The Association shall cause to be issued insurance up to the reasonable value of the
16 insurable property, subject to a maximum of one million dollars (\$1,000,000) on habitational
17 property. The above limits on habitational property shall apply to the value of the building only.
18 Insurance issued by the Association for commercial property shall not exceed four million dollars
19 (\$4,000,000) on any freestanding structure or any building unit within multiple firewall divisions,
20 provided the aggregate insurance on structures with multiple firewall divisions shall not exceed
21 ten million dollars (\$10,000,000) on all interest at one risk.

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

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

29 **SECTION 11.(b)** This section is effective January 1, 2027, and applies to contracts
30 issued, amended, and renewed on or after that date.
31

32 **PART XII. EFFECTIVE DATE**

33 **SECTION 12.** Except as otherwise provided, this act is effective when it becomes
34 law.