

Article 37.

North Carolina Motor Vehicle Reinsurance Facility.

**§ 58-37-1. Definitions.**

As used in this Article:

- (1) "Cede" or "cession" means the act of transferring the risk of loss from the individual insurer to all insurers through the operation of the facility.
- (2) Repealed by Session Laws 1991, c. 720, s. 6.
- (3) "Company" means each member of the Facility.
- (4) "Eligible risk," for the purpose of motor vehicle insurance other than nonfleet private passenger motor vehicle insurance, means:
  - a. A person who is a resident of this State who owns a motor vehicle registered or principally garaged in this State;
  - b. A person who has a valid driver's license in this State;
  - c. A person who is required to file proof of financial responsibility under Article 9A or 13 of Chapter 20 of the General Statutes in order to register his or her motor vehicle or to obtain a driver's license in this State;
  - d. A nonresident of this State who owns a motor vehicle registered and principally garaged in this State; or
  - e. The State and its agencies and cities, counties, towns and municipal corporations in this State and their agencies.

However, no person shall be deemed an eligible risk if timely payment of premium is not tendered or if there is a valid unsatisfied judgment of record against such person for recovery of amounts due for motor vehicle insurance premiums and such person has not been discharged from paying said judgment, or if such person does not furnish the information necessary to effect insurance.

- (4a) "Eligible risk," for the purpose of nonfleet private passenger motor vehicle insurance, means:
  - a. A resident of this State who owns a motor vehicle registered or principally garaged in this State;
  - b. A resident of this State and who has a valid driver's license issued by this State;
  - c. A person who is required to file proof of financial responsibility under Article 9A or 13 of Chapter 20 of the General Statutes in order to register his or her vehicle or to obtain a driver's license in this State;
  - d. A nonresident of this State who owns a motor vehicle registered and principally garaged in this State;
  - e. A nonresident of the State who is one of the following:
    1. A member of the Armed Forces of the United States stationed in this State, or deployed outside this State from a home base in this State, who intends to return to his or her home state;
    2. The spouse of a nonresident member of the Armed Forces of the United States stationed in this State, or deployed outside this State from a home base in this State, who intends to return to his or her home state;

3. An out-of-state student who intends to return to his or her home state upon completion of his or her time as a student enrolled in school in this State; or
- f. The State and its agencies and cities, counties, towns, and municipal corporations in this State and their agencies.

However, no person shall be deemed an eligible risk if timely payment or premium is not tendered or if there is a valid unsatisfied judgment of record against the person which the person has not been discharged from paying, for recovery of amounts due for:

1. Motor vehicle insurance premiums; or
2. Payments recoverable under a policy provision authorized by G.S. 58-2-164(g1).

Further, no person shall be deemed an eligible risk if the person does not furnish the information necessary to effect insurance.

- (5) "Facility" means the North Carolina Motor Vehicle Reinsurance Facility established under this Article.
- (6) "Motor vehicle" means every self-propelled vehicle that is designed for use upon a highway, including trailers and semitrailers designed for use with such vehicles (except traction engines, road rollers, farm tractors, tractor cranes, power shovels, and well drillers). "Motor vehicle" also means a motorcycle, as defined in G.S. 20-4.01(27)h., and a moped, as defined in G.S. 20-4.01(27)j. "Motor vehicle" does not mean an electric assisted bicycle, as defined in G.S. 20-4.01(7a).
- (7) "Motor vehicle insurance" means direct insurance against liability arising out of the ownership, operation, maintenance or use of a motor vehicle for bodily injury including death and property damage and includes medical payments and uninsured and underinsured motorist coverages.

With respect to motor carriers who are subject to the financial responsibility requirements established under the Motor Carrier Act of 1980, the term, "motor vehicle insurance" includes coverage with respect to environmental restoration. As used in this subsection the term, "environmental restoration" means restitution for the loss, damage, or destruction of natural resources arising out of the accidental discharge, dispersal, release, or escape into or upon the land, atmosphere, watercourse, or body of water of any commodity transported by a motor carrier. Environmental restoration includes the cost of removal and the cost of necessary measures taken to minimize or mitigate damage to human health, the natural environment, fish, shellfish, and wildlife.

- (8) "Person" means every natural person, firm, partnership, association, trust, limited liability company, firm, corporation, government, or governmental agency.
- (9) "Plan of operation" means the plan of operation approved pursuant to the provisions of this Article.
- (10) Repealed by Session Laws 1977, c. 828, s. 10.
- (11) "Principally garaged" means the vehicle is garaged for six or more months of the current or preceding year on property in this State which is owned, leased, or otherwise lawfully occupied by the owner of the vehicle. (1973, c. 818, s. 1; 1977, c. 828, s. 10; 1981, c. 776, s. 1; 1985, c. 666, s. 48; 1989, c. 485, s. 48; 1991, c. 720, s. 6; 1999-132, s. 8.2; 2001-389, s. 4; 2002-187, s.

1.1; 2007-443, s. 1; 2007-481, s. 8; 2007-495, s. 8; 2011-183, s. 43; 2015-125, s. 5; 2016-78, s. 3.2(b); 2016-90, ss. 12.6(b), 13(f); 2017-102, ss. 5.2(b), 36.)