

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

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HOUSE BILL 1020

Short Title: Insurance Settlements.

(Public)

Sponsors: Representative Hardy.

Referred to: Insurance.

April 21, 1997

A BILL TO BE ENTITLED

AN ACT TO CHANGE THE PROCEDURES FOR SETTLEMENT OF PERSONAL
AUTOMOBILE AND COMMERCIAL LIABILITY INSURANCE CLAIMS.

The General Assembly of North Carolina enacts:

Section 1. Article 36 of Chapter 58 of the General Statutes is amended by
adding a new section to read:

"§ 58-36-66. Motor vehicle liability claim settlements.

Every policy of motor vehicle liability insurance subject to this Article shall provide
that there shall be no facility recoupment surcharge under G.S. 58-37-40(f) or Safe
Driver Incentive Plan surcharges under G.S. 58-36-65 if:

- (1) A motor vehicle liability insurer settles a motor vehicle accident claim
against its insured;
- (2) The insured denies that the insured was at fault in the accident; and
- (3) The insured is not convicted of a moving traffic violation in connection
with the accident."

Section 2. Article 41 of Chapter 58 of the General Statutes is amended by
adding a new section to read:

"§ 58-41-60. Liability insurance claim settlements.

Every policy of liability insurance subject to this Article shall provide that there shall
be no settlement by an insurer of a claim against its insured for more than twice the

1 amount of the policy deductible or retention amount for which the insured is obligated to
2 pay without the insurer first obtaining the written consent of the insured."

3 Section 3. This act becomes effective October 1, 1997, and applies to policies
4 issued or renewed on and after that date.