

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001**

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SENATE BILL 729

Short Title: Motorcycle Insurance Rates.

(Public)

Sponsors: Senator Carrington.

Referred to: Rules and Operations of the Senate.

March 29, 2001

A BILL TO BE ENTITLED

1
2 AN ACT TO PROVIDE THAT MOTORCYCLE INSURANCE RATES ARE SET IN
3 ACCORDANCE WITH THE LAW REGULATING INSURANCE RATES
4 RATHER THAN ESTABLISHED BY THE NORTH CAROLINA RATE
5 BUREAU.

6 The General Assembly of North Carolina enacts:

7 **SECTION 1.** G.S. 58-36-1(3) reads as rewritten:

8 "(3) The Bureau shall promulgate and propose rates for insurance against
9 loss to residential real property with not more than four housing units
10 located in this State and any contents thereof or valuable interest
11 therein and other insurance coverages written in connection with the
12 sale of such property insurance; for insurance against theft of or
13 physical damage to nonfleet private passenger motor vehicles; for
14 liability insurance for such motor vehicles, automobile medical
15 payments insurance, uninsured and underinsured motorists coverage
16 and other insurance coverages written in connection with the sale of
17 such liability insurance; and, as provided in G.S. 58-36-100, for loss
18 costs and residual market rate filings for workers' compensation and
19 employers' liability insurance written in connection therewith. This
20 subdivision does not apply to motor vehicles operated under
21 certificates of authority from the Utilities Commission, the Interstate
22 Commerce Commission, or their successor agencies, where insurance
23 or other proof of financial responsibility is required by law or by
24 regulations specifically applicable to such certificated vehicles. The
25 Bureau shall have no jurisdiction over excess workers' compensation
26 insurance for employers qualifying as self-insurers as provided in
27 Article 47 of this Chapter or Article 5 of Chapter 97 of the General
28 Statutes; nor shall the Bureau's jurisdiction include farm buildings,

1 farm dwellings and their appurtenant structures, farm personal
2 property or other coverages written in connection with farm real or
3 personal property; travel or camper trailers designed to be pulled by
4 private passenger motor vehicles, unless insured under policies
5 covering nonfleet private passenger motor vehicles; motorcycles, as
6 defined in G.S. 20-4.01(27)d.; mechanical breakdown insurance
7 covering nonfleet private passenger motor vehicles and other
8 incidental coverages written in connection with this insurance,
9 including emergency road service assistance, trip interruption
10 reimbursement, rental car reimbursement, and tire coverage;
11 residential real and personal property insured in multiple line insurance
12 policies covering business activities as the primary insurable interest;
13 and marine, general liability, burglary and theft, glass, and animal
14 collision insurance, except when such coverages are written as an
15 integral part of a multiple line insurance policy for which there is an
16 indivisible premium."

17 **SECTION 2.** G.S. 58-36-65(m) is repealed.

18 **SECTION 3.** G.S. 58-40-15 reads as rewritten:

19 **"§ 58-40-15. Scope of application.**

20 The provisions of this Article shall apply to all insurance on risks or on operations in
21 this State, except:

- 22 (1) Reinsurance, other than joint reinsurance to the extent stated in G.S.
23 58-40-60;
- 24 (2) Any policy of insurance against loss or damage to or legal liability in
25 connection with property located outside this State, or any motor
26 vehicle or aircraft principally garaged and used outside of this State, or
27 any activity wholly carried on outside this State;
- 28 (3) Insurance of vessels or craft, their cargoes, marine builders' risks,
29 marine protection and indemnity, or other risks commonly insured
30 under marine, as distinguished from inland marine, insurance policies;
- 31 (4) Accident, health, or life insurance;
- 32 (5) Annuities;
- 33 (6) Repealed by Session Laws 1985, c. 666, s. 43.
- 34 (7) Mortgage guaranty insurance;
- 35 (8) Workers' compensation and employers' liability insurance written in
36 connection therewith;
- 37 (9) For private passenger (nonfleet) motor vehicle liability insurance,
38 automobile medical payments insurance, uninsured motorists'
39 coverage and other insurance coverages written in connection with the
40 sale of such liability insurance; except this Article applies to liability
41 insurance on motorcycles, as defined in G.S. 20-4.01(27)d.;
- 42 (10) Theft of or physical damage to private passenger (nonfleet) motor
43 vehicles; except this Article applies to theft of or physical damage to
44 motorcycles, as defined in G.S. 20-4.01(27)d.; and

1 (11) Insurance against loss to residential real property with not more than
2 four housing units located in this State or any contents thereof or
3 valuable interest therein and other insurance coverages written in
4 connection with the sale of such property insurance. Provided,
5 however, that this Article shall apply to insurance against loss to farm
6 dwellings, farm buildings and their appurtenant structures, farm
7 personal property and other coverages written in connection with farm
8 real or personal property; travel or camper trailers designed to be
9 pulled by private passenger motor vehicles unless insured under
10 policies covering nonfleet private passenger motor vehicles; residential
11 real and personal property insured in multiple line insurance policies
12 covering business activities as the primary insurable interest; and
13 marine, general liability, burglary and theft, glass, and animal collision
14 insurance except when such coverages are written as an integral part of
15 a multiple line insurance policy for which there is an indivisible
16 premium.

17 The provisions of this Article shall not apply to hospital service or medical service
18 corporations, investment companies, mutual benefit associations, or fraternal
19 beneficiary associations."

20 **SECTION 4.** This act becomes effective October 1, 2001. Rates, rating
21 systems, territories, classifications, and policy forms lawfully in use on October 1, 2001,
22 may continue to be used thereafter.