

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2025

FILED SENATE  
Mar 12, 2025  
S.B. 270  
PRINCIPAL CLERK

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SENATE BILL DRS45145-NE-102A

Short Title: Credit Property Insurance Restrictions.-AB (Public)

Sponsors: Senators Johnson, Britt, and Settle (Primary Sponsors).

Referred to:

1 A BILL TO BE ENTITLED  
2 AN ACT PROHIBITING THE INCLUSION OF CERTAIN AUTOMOBILE PHYSICAL  
3 DAMAGE INSURANCE COVERAGE IN A CREDIT PROPERTY INSURANCE  
4 POLICY, AS RECOMMENDED BY THE DEPARTMENT OF INSURANCE.

5 The General Assembly of North Carolina enacts:

6 SECTION 1. G.S. 58-57-100 reads as rewritten:

7 "§ 58-57-100. Credit property insurance; automobile physical damage insurance.

8 ...

9 (c) Automobile physical damage insurance as described in this section shall not include  
10 any of the following:

11 (1) Coverage for the cost of repossession.

12 (2) Skip, confiscation, and conversion coverage. For the purposes of this  
13 subdivision, "skip, confiscation, and conversion coverage" means insurance  
14 which provides coverage when a borrower has sold, traded, or disposed of the  
15 collateral, or the borrower and the collateral cannot be found.

16 (3) Coverage that requires a borrower's insurance deductible to be less than two  
17 hundred fifty dollars (\$250.00).

18 (4) Coverage that is broader than the insurance coverages that meet the minimum  
19 insurance requirements in subsection (a) of this section.

20 (d) Nothing in subsection (c) of this section prohibits the issuance of a separate policy or  
21 endorsement providing the coverages listed in subsection (c) of this section, so long as no charge  
22 is passed along to the borrower for those coverages."

23 SECTION 2. This act is effective when it becomes law and applies to contracts  
24 issued, renewed, or amended on or after that date.



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