

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
PROPOSED SENATE COMMITTEE SUBSTITUTE H356-PCS40755-BB-38

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 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, TO REQUIRE BEACH PROPERTY INSURANCE COVERAGE FOR HABITATIONAL PROPERTY CONTENTS TO BE SET IN ACCORDANCE WITH STATE APPROVED RATES, AND TO AUTHORIZE A LANDLORD TO CHARGE A TENANT THE FAIR MARKET VALUE FOR REQUIRED INSURANCE FOR THE LEASED PREMISES IF THE TENANT FAILS TO TIMELY PROVIDE PROOF OF THE REQUIRED INSURANCE.

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:



* H 3 5 6 - P C S 4 0 7 5 5 - B B - 3 8 *

- 1 (1) ~~Is~~ The course presentation by that instructor, course provider, or presenter is
 2 determined to be inaccurate; or ~~inaccurate.~~
 3 (2) ~~Receives~~ The course presentation by that instructor, course provider, or
 4 instructor receives an evaluation of poor from any Department monitor and a
 5 majority of attendees responding to Department questionnaires about the
 6 presentation."
 7

8 **PART II. PROHIBIT MORTGAGE LICENSEES FROM REQUIRING THE**
 9 **DISCLOSURE OF RECONSTRUCTION COST ESTIMATES**

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

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

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

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

18 **SECTION 2.(c)** This section becomes effective October 1, 2026.
 19

20 **PART III. DELAY EFFECTIVE DATE FOR INEXPERIENCED OPERATOR**
 21 **CONTINUOUS COVERAGE**

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

23 "**SECTION 8.(d)** This section becomes effective ~~July 1, 2026.~~ January 1, 2027."
 24

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

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

27 "**§ 20-309.2. Insurer shall notify Division of actions on insurance policies.**

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

- 30 (1) Issues a new or replacement policy.
 31 (2) Terminates a policy, either by cancellation or failure to renew, unless the same
 32 insurer issues a replacement policy complying with this Article at the same
 33 time the insurer terminates the old policy and no lapse in coverage results.
 34 (3) Reinstates a policy after the insurer has notified the Division of a cancellation
 35 or termination.
 36 (4) A person with a North Carolina drivers license and who is subject to an
 37 inexperienced operator premium surcharge pursuant to G.S. 58-36-65(k) is
 38 added to or removed from the policy's coverage, or if a policy to which ~~a~~ that
 39 ~~person subject to the inexperienced operator surcharge pursuant to~~
 40 ~~G.S. 58-36-65(k)~~ was added has been canceled.

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

1"

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

3
4 **PART V. REQUIRE ACCEPTANCE OF CERTIFICATES OF INSURANCE**

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

6 "**§ 58-3-149. Certificates of insurance.**

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

8 ...

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

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

11 ...

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

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

19 "**§ 93B-17. Proof of insurance requirements.**

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

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

25
26 **PART VI. REVISIONS TO LAWS GOVERNING PEER-TO-PEER VEHICLE**
27 **SHARING**

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

29 "Article 10B.

30 "Peer-to-Peer Vehicle Sharing.

31 "**§ 20-280.15. Definitions.**

32 The following definitions apply in this Article:

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

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

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

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

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

45 (4b) Shared vehicle driver. – An individual who is authorized to drive the shared
46 vehicle by the shared vehicle owner under a vehicle sharing agreement.

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

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

29 **"§ 20-280.19. Assumption of liability; exceptions.**

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

- 33 (1) Bodily injury or property damage to third parties.
34 (2) Uninsured and underinsured motorist losses.
35 (3) Personal injury protection losses.

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

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

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

48 **"§ 20-280.21. Insurance coverage.**

49 (a) Insurance Coverage of Shared Vehicle. – A peer-to-peer vehicle sharing program
50 shall ensure that during each vehicle sharing period, both the shared vehicle owner and the shared
51 vehicle driver are each insured under a motor vehicle liability insurance policy that provides

1 insurance coverage in amounts no less than the minimum amounts set forth in
2 G.S. 20-279.21(b)(2) and G.S. 20-279.21(b)(3). The motor vehicle liability insurance policy
3 shall also do one of the following:

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

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

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

11 (1) The shared vehicle owner.

12 (2) The shared vehicle driver.

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

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

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

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

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

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

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

40 **§ 20-280.23. No limitations on liability; indemnification.**

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

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

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

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

At the time when a vehicle owner registers as a shared vehicle owner on a peer-to-peer vehicle sharing program and prior to the time when the shared vehicle owner makes a shared vehicle available for sharing on the peer-to-peer vehicle sharing program, the peer-to-peer vehicle sharing program shall notify the shared vehicle owner that if the shared vehicle has a lien against it, the use of the shared vehicle through the peer-to-peer vehicle sharing program, including use without physical damage coverage, may violate the terms of the contract with the lienholder.

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

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

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

(2) Personal injury protection coverage.

(3) Uninsured and underinsured motorist coverage.

(4) Medical payments coverage.

(5) Comprehensive physical damage coverage.

(6) Collision physical damage coverage.

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

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

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

"§ 20-280.29. Record keeping.

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

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

"§ 20-280.31. Vicarious liability.

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

"§ 20-280.33. Contribution against indemnification.

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

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

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

"§ 20-280.35. Insurable interest.

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

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

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

9 (1) Liabilities assumed by the peer-to-peer vehicle sharing program under a
10 vehicle sharing agreement.

11 (2) Any liability of the shared vehicle owner.

12 (3) Damage or loss to the shared motor vehicle.

13 (4) Any liability of the shared vehicle driver.

14 **"§ 20-280.37. Consumer protections for peer-to-peer vehicle sharing programs.**

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

17 (1) Any right of the peer-to-peer vehicle sharing program to seek indemnification
18 from the shared vehicle owner or the shared vehicle driver for economic loss
19 sustained by the peer-to-peer vehicle sharing program resulting from a breach
20 of the terms and conditions of the vehicle sharing agreement.

21 (2) That a motor vehicle liability insurance policy issued to the shared vehicle
22 owner for the shared vehicle or to the shared vehicle driver does not provide
23 a defense or indemnification for any claim asserted by the peer-to-peer vehicle
24 sharing program.

25 (3) That the peer-to-peer vehicle sharing program's insurance coverage on the
26 shared vehicle owner and the shared vehicle driver is in effect only during
27 each vehicle sharing period and that the shared vehicle driver and the shared
28 vehicle owner may not have insurance coverage for any use of the shared
29 vehicle by the shared vehicle driver after the vehicle sharing termination time.

30 (4) The daily rate, fees, and, if applicable, any insurance or protection package
31 costs that are charged to the shared vehicle owner or the shared vehicle driver.

32 (5) The shared vehicle owner's motor vehicle liability insurance may not provide
33 coverage for a shared vehicle.

34 (6) An emergency telephone number to personnel capable of fielding roadside
35 assistance and other customer service inquiries.

36 (7) Any conditions under which a shared vehicle driver must maintain a motor
37 vehicle liability insurance policy with certain applicable coverage limits on a
38 primary basis in order to book a shared motor vehicle.

39 **"§ 20-280.39. Drivers license verification and data retention.**

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

43 (1) Has a valid drivers license issued pursuant to G.S. 20-7 that authorizes the
44 driver to operate a motor vehicle of the class of the shared vehicle.

45 (2) Is a nonresident of this State who meets all of the following requirements:

46 a. Has a valid drivers license issued by the state or country of the driver's
47 residence that authorizes the driver in that state or country to drive a
48 motor vehicle of the class of the shared vehicle.

49 b. Is at least the same age as that required of a resident of this State to
50 operate a motor vehicle of the class of the shared vehicle.

- 1 (3) Is otherwise specifically authorized by the applicable provisions of G.S. 20-7
- 2 to operate a motor vehicle of the class of the shared vehicle.
- 3 (b) A peer-to-peer vehicle sharing program shall keep a record of all of the following:
- 4 (1) The name and address of the shared vehicle driver.
- 5 (2) The number of the valid drivers license of the shared vehicle driver and each
- 6 other person, if any, who will operate the shared vehicle.
- 7 (3) The date and place of issuance of the class of valid drivers license for that
- 8 class of vehicle of the shared vehicle driver.

9 **"§ 20-280.41. Responsibility for equipment of a shared vehicle.**

10 A peer-to-peer vehicle sharing program shall have sole responsibility for any equipment, such
 11 as a global positioning system (GPS) or other special equipment that is put in or on the vehicle
 12 to monitor or facilitate the vehicle sharing transaction, and shall agree to indemnify and hold
 13 harmless the shared vehicle owner for any damage to or theft of such equipment during the
 14 vehicle sharing period not caused by the shared vehicle owner. The peer-to-peer vehicle sharing
 15 program shall have the right to seek indemnity from the shared vehicle driver for any loss or
 16 damage to such equipment that occurs during the vehicle sharing period.

17 **"§ 20-280.43. Automobile safety recalls.**

18 (a) At the time when a vehicle owner registers as a shared vehicle owner on a peer-to-peer
 19 vehicle sharing program and prior to the time when the shared vehicle owner makes a shared
 20 vehicle available for sharing on the peer-to-peer vehicle sharing program, the peer-to-peer
 21 vehicle sharing program shall do all of the following:

- 22 (1) Verify that the shared vehicle does not have any safety recalls on the vehicle
- 23 for which the repairs have not been made.
- 24 (2) Notify the shared vehicle owner of the requirements of this section.

25 (b) If the shared vehicle owner has received actual notice of a safety recall on the shared
 26 vehicle, the shared vehicle owner shall do the following:

- 27 (1) Refrain from making a vehicle available as a shared vehicle on a peer-to-peer
- 28 vehicle sharing program until the safety recall repair has been made.
- 29 (2) Remove the shared vehicle as available on the peer-to-peer vehicle sharing
- 30 program as soon as practicable after receiving the notice of the safety recall
- 31 and until the safety recall repair has been made.
- 32 (3) Notify the peer-to-peer vehicle sharing program about the safety recall so that
- 33 the shared vehicle owner may address the safety recall repair as soon as
- 34 practicable."

35 **SECTION 6.(b)** This section becomes effective October 1, 2026, and applies to all
 36 peer-to-peer vehicle sharing agreements entered into on or after that date.
 37

38 **PART VII. NORTH CAROLINA PROFESSIONAL EMPLOYER ORGANIZATION**
 39 **ACT UPDATE**

40 **SECTION 7.(a)** G.S. 58-89A-5 reads as rewritten:

41 **"§ 58-89A-5. Definitions.**

42 In this Article:

- 43 ...
- 44 (3) "Audited GAAP financial statement" means a financial statement that is
- 45 audited by an independent certified public accountant and presented in
- 46 accordance with generally accepted accounting principles.
- 47 ...
- 48 (16d) ~~"Tangible net worth" means the difference between total tangible assets and~~
- 49 ~~total liabilities. For purposes of this definition, tangible assets are physical~~
- 50 ~~assets and do not include goodwill, patents, copyrights, intellectual property,~~
- 51 ~~trademarks, and any other non-physical asset.~~

1 "

2 **SECTION 7.(b)** G.S. 58-89A-60 reads as rewritten:

3 "**§ 58-89A-60. License application.**

4 ...

5 (b) Every applicant shall file with the Commissioner an audited GAAP financial
6 statement, prepared as of a date not more than 120 days before the date of application that
7 demonstrates that the applicant ~~has a tangible net worth of not less than fifty thousand dollars~~
8 ~~(\$50,000) and positive working capital, or licensee's current assets exceed current liabilities.~~ The
9 applicant shall attach to the audited financial statement a separate document signed by the
10 applicant's chief executive and the chief financial officer certifying that (i) each has reviewed the
11 audited financial statement; (ii) based on each signatory's knowledge, the audited financial
12 statement does not contain any untrue or misleading statement of material fact or omit a fact with
13 respect to the period covered by the audited financial statement; and (iii) based on each
14 signatory's knowledge, the audited financial statement fairly presents in all material respects the
15 financial condition of the applicant as of, and for, the period presented in the audited financial
16 statement.

17 Notwithstanding the requirements of this subsection, the Commissioner may, in the
18 Commissioner's discretion, accept an audited GAAP financial statement that has been prepared
19 more than 120 days before submission to the Commissioner if the Commissioner deems such
20 acceptance appropriate. The Commissioner may, in the Commissioner's discretion, impose
21 conditions upon such acceptance of audited financial statements prepared more than 120 days
22 prior to submission.

23 The audited GAAP financial statement shall be prepared and audited by an independent
24 certified public accountant licensed to practice in the jurisdiction in which such accountant is
25 located and shall be without qualification as to the going concern status of the applicant. Persons
26 applying for a professional employer organization group license may submit combined or
27 consolidated audited financial statements to meet the requirements of this section, provided that
28 the combined or consolidated audited financial statement include[s] a combining or consolidating
29 balance sheet and statement of operations of each proposed member as supplemental information
30 to the combined or consolidated audited financial statement. An applicant that does not have at
31 least 12 months of operating history may meet the financial requirements of this subsection by
32 filing with the Commissioner financial statements that have been reviewed by an independent
33 certified public accountant and that have been prepared as of a date not more than 90 days before
34 the date of application.

35 ...

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

38 (1) That an officer, director, or other controlling person ~~has~~has done any of the
39 following:

- 40 a. Not met the requirements of G.S. 58-89A-40.
41 b. Made any untrue material statement or omitted any material
42 information regarding their background or experience.
43 c. Violated, or failed to comply with, any professional employer services
44 law or any rule or order of the Commissioner or of any other State
45 official responsible for the regulation of any aspect of the applicant's
46 business.
47 d. Obtained or attempted to obtain the license through misrepresentation
48 or fraud.
49 e. Been convicted of a felony.
50 f. Been found in a final judgment or administrative proceeding to have
51 committed fraud or an unfair trade practice.

- g. Been an officer, director, or other controlling person in another professional employer organization that has had its license or registration suspended, terminated, or revoked by any state.
- (2) That the applicant is not current with respect to all of its obligations for payroll, payroll-related taxes, workers' compensation insurance, and employee benefits and the applicant has failed to satisfy the Commissioner as to the reasons why.
- (3) That the applicant does not ~~possess~~possess positive working capital, or in lieu of positive working capital, substitute security as provided under G.S. 58-89A-50(a).
 - ~~a. A tangible net worth of not less than fifty thousand dollars (\$50,000).~~
 - ~~b. Positive working capital, or in lieu of positive working capital, substitute security as provided under G.S. 58-89A-50(a).~~
- (4) ~~That the applicant has not provided evidence satisfactory to the Commissioner of financial responsibility.~~
- (5) That the applicant has failed to satisfy the requirements of G.S. 58-89A-50.
- (6) That a ground upon which the Commissioner could take disciplinary action against a licensee or other person subject to licensure requirements pursuant to G.S. 58-89A-155 applies to the applicant."

SECTION 7.(c) G.S. 58-89A-70 reads as rewritten:

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

- ...
- (e) In order to maintain licensure, each licensee may be required to file with the Commissioner no later than 60 days after the end of each quarter of the fiscal year:
 - (1) A financial statement for the preceding quarter that is not audited but is set forth in a format similar to the annual audited GAAP financial statement; and
 - (2) An attestation in the form required by subdivision (3a) of subsection (d) of this section."

PART VIII. CASH CONVENIENCE FEE UNDER ONE DOLLAR ALLOWED

SECTION 8. G.S. 58-33-85(b) reads as rewritten:

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

PART IX. BAIL BONDSMEN AMENDMENTS

SECTION 9.(a) G.S. 58-71-40 is amended by adding a new subsection to read:

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

1 physical presence of the licensed professional bondsman, surety bondsman, or runner posting the
2 bond."

3 **SECTION 9.(b)** G.S. 58-71-71 reads as rewritten:

4 "**§ 58-71-71. Examination; educational requirements; penalties.**

5 ...

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

12 ...

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

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

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

26 **SECTION 9.(c)** G.S. 58-71-72 is amended by adding a new subsection to read:

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

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

34
35 **PART X. REQUIRE BEACH PROPERTY INSURANCE COVERAGE FOR**
36 **HABITATIONAL PROPERTY CONTENTS TO BE SENT IN ACCORDANCE WITH**
37 **STATE APPROVED RATES**

38 **SECTION 10.(a)** G.S. 58-45-41 reads as rewritten:

39 "**§ 58-45-41. Coverage limits.**

40 (a) The Association shall cause to be issued insurance up to the reasonable value of the
41 insurable property, subject to a maximum of one million dollars (\$1,000,000) on habitational
42 property. The above limits on habitational property shall apply to the value of the building only.
43 Insurance issued by the Association for commercial property shall not exceed four million dollars
44 (\$4,000,000) on any freestanding structure or any building unit within multiple firewall divisions,
45 provided the aggregate insurance on structures with multiple firewall divisions shall not exceed
46 ten million dollars (\$10,000,000) on all interest at one risk.

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

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

4 **SECTION 10.(b)** This section is effective January 1, 2027, and applies to contracts
5 issued, amended, and renewed on or after that date.

6
7 **PART XI. AUTHORIZE A LANDLORD TO CHARGE A TENANT THE FAIR**
8 **MARKET VALUE FOR REQUIRED INSURANCE FOR LEASED PREMISES IF THE**
9 **TENANT FAILS TO TIMELY PROVIDE PROOF OF THE REQUIRED INSURANCE**

10 **SECTION 11.(a)** G.S. 42-46(l) reads as rewritten:

11 "(l) The following provisions apply to ~~any~~a lease that requires a tenant to maintain
12 insurance coverage for the leased premises:

13 (1) The tenant shall not be required to obtain the required insurance coverage
14 from a designated carrier or through a designated agent.

15 (2) ~~The~~If a tenant fails to provide proof of the required insurance coverage to the
16 landlord within three business days of the landlord's request, the landlord may
17 charge the tenant for the actual cost incurred by the landlord to obtain the
18 required insurance coverage~~coverage~~, charge the tenant the fair market value
19 for the required insurance coverage, and charge an administrative fee not to
20 exceed fifty dollars (\$50.00) per year, only if the tenant fails to provide, within
21 three business days after the request of the landlord, proof that the tenant has
22 obtained the required insurance coverage year."

23 **SECTION 11.(b)** This section is effective when it becomes law and applies to leases
24 requiring a tenant to maintain insurance coverage for the leased premises entered into on or after
25 that date.

26
27 **PART XII. EFFECTIVE DATE**

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