



CHAPTER 20
ARTICLE 13 - THE VEHICLE FINANCIAL RESPONSIBILITY ACT OF 1957

N.C.G.S. § 20-309.

Financial responsibility prerequisite
to registration; must be maintained
throughout registration period.

SOURCE General Statutes of North Carolina, as published by the General Assembly	LAST AMENDMENT IN THIS TEXT S.L. 2025-45, s. 8(b) — thirty-second act in the lineage	RETRIEVED 21 September 2026, 03:35 UTC	SOURCE FINGERPRINT 8f7af8cad40ec4dac819c44c - d2f722982ebc4e780ae66c33 - 5db9867f9340e1cc
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- § 20-309(a)

No motor vehicle shall be registered in this State unless the owner at the time of registration provides proof of financial responsibility for the operation of such motor vehicle, as provided in this Article. The owner of each motor vehicle registered in this State shall maintain financial responsibility continuously throughout the period of registration. For purposes of this Article, the term "motor vehicle" includes mopeds, as that term is defined in G.S. 20-4.01.
- § 20-309(a1)

An owner of a commercial motor vehicle, as defined in G.S. 20-4.01(3d), shall have financial responsibility for the operation of the motor vehicle in an amount equal to that required for for-hire carriers transporting nonhazardous property in interstate or foreign commerce in 49 C.F.R. §387.9.
- § 20-309(a2)

Notwithstanding any other provision of this Chapter, an owner's policy of liability insurance issued to a foster parent or parents, which policy includes an endorsement excluding coverage for one or more foster children residing in the foster parent's or parents' household, may be certified as proof of financial responsibility, provided that each foster child for whom coverage is excluded is insured in an amount equal to or greater than the minimum limits required by G.S. 20-279.21 under some other owner's policy of liability insurance or a named nonowner's policy of liability insurance. The North Carolina Rate Bureau shall establish, with the approval of the Commissioner of

Insurance, a named driver exclusion endorsement or endorsements for foster children as described herein.

§ 20-309(a3) (Effective July 1, 2026) No person subject to an inexperienced operator premium surcharge pursuant to G.S. 58-36-65(k) shall operate a motor vehicle unless the liability insurance policy benefiting that person includes any required premium surcharge. This subsection shall not apply to persons who demonstrate financial responsibility in an authorized manner other than a liability insurance policy.

§ 20-309(b) Financial responsibility shall be a liability insurance policy or a financial security bond or a financial security deposit or by qualification as a self-insurer, as these terms are defined and described in Article 9A, Chapter 20 of the General Statutes of North Carolina, as amended.

§ 20-309(c) When it is certified that financial responsibility is a liability insurance policy, the Commissioner of Motor Vehicles may require that the owner produce records to prove the fact of such insurance, and failure to produce such records shall be prima facie evidence that no financial responsibility exists with regard to the vehicle concerned. It shall be the duty of insurance companies, upon request of the Division, to verify the accuracy of any owner's certification.

PRIMA FACIE
EVIDENCE

§ 20-309(c1) The proof of insurance required to demonstrate financial responsibility under subsection (c) of this section may be satisfied by producing records of insurance in either physical or electronic format. Acceptable electronic formats include display of electronic images on a mobile phone or other portable electronic device produced through an application or website of the insurer.

§ 20-309(d) When liability insurance with regard to any motor vehicle is terminated by cancellation or failure to renew, or the owner's financial responsibility for the operation of any motor vehicle is otherwise terminated, the owner shall forthwith surrender the registration certificate and plates of the vehicle to the Division of Motor Vehicles unless financial responsibility is maintained in some other manner in compliance with this Article.

§ 20-309(e) Repealed by Session Laws 2006-213, s. 5, effective July 1, 2008, and applicable to lapses occurring on or after that date.

§ 20-309(f)

The Commissioner shall administer and enforce the provisions of this Article and may make rules and regulations necessary for its administration and shall provide for hearings upon request of persons aggrieved by orders or acts of the Commissioner under the provisions of this Article.

§ 20-309(g) Repealed by Session Laws 2007-484, s. 7(a), effective July 1, 2008, and applicable to lapses occurring on or after that date.

§ 20-309(h) Recodified as G.S. 20-311(g) by Session Laws 2007-484, s. 7(d), effective July 1, 2008, and applicable to lapses occurring on or after that date.

END OF SECTION TEXT

APPARATUS FOLLOWS — DERIVED, NOT ENACTED

APPARATUS I
32 ACTS

Amendment lineage

The State prints this history as a single parenthetical at the foot of the section. It is reproduced verbatim in the colophon and unpacked below in order of enactment.



Nº	YEAR	ACT	CHARACTER
01	1957	c. 1393, s. 1	ENACTED
02	1959	c. 1277, s. 1	AMENDED
03	1963	c. 964, s. 1	AMENDED
04	1965	c. 272	AMENDED
05	1965	c. 1136, ss. 1, 2	AMENDED
06	1967	c. 822, ss. 1, 2	AMENDED
07	1967	c. 857, ss. 1, 2	AMENDED
08	1971	c. 477, ss. 1, 2	AMENDED
09	1971	c. 924	AMENDED
10	1975	c. 302	AMENDED
11	1975	c. 348, ss. 1-3	AMENDED
12	1975	c. 716, s. 5	AMENDED
13	1979	2nd Sess., c. 1279, s. 1	AMENDED

14	1981	c. 690, s. 25	AMENDED
15	1983	c. 761, s. 146	AMENDED
16	1983	1983 (Reg. Sess., 1984), c. 1069, ss. 1, 2	AMENDED
17	1985	c. 666, s. 84	AMENDED
18	1991	c. 402, s. 1	AMENDED
19	1999	S.L. 1999-330, s. 4	AMENDED
20	1999	S.L. 1999-452, s. 20	AMENDED
21	2000	S.L. 2000-140, s. 100(a)	AMENDED
22	2000	S.L. 2000-155, s. 20	AMENDED
23	2005	S.L. 2005-276, s. 6.37(p)	AMENDED
24	2006	S.L. 2006-213, s. 5	AMENDED
25	2006	S.L. 2006-264, s. 38	AMENDED
26	2007	S.L. 2007-484, ss. 7(a), (d)	AMENDED
27	2009	S.L. 2009-550, s. 4	AMENDED
28	2015	S.L. 2015-125, s. 3	AMENDED
29	2015	S.L. 2015-135, s. 4.3	AMENDED
30	2015	S.L. 2015-146, s. 4	AMENDED
31	2025	S.L. 2025-25, s. 29(5)	AMENDED
32	2025	S.L. 2025-45, s. 8(b)	AMENDED

APPARATUS II
5 AUTHORITIES

Authorities referenced

Every G.S. cross-reference appearing in the text of this section, in order of first appearance. Nothing is characterized; the operative language is quoted from the section itself.

REFERENCE	APPEARS IN	OPERATIVE LANGUAGE IN THIS SECTION
G.S. 20-4.01	(a)	<i>"as that term is defined in"</i>
G.S. 20-4.01(3d)	(a1)	<i>"commercial motor vehicle, as defined in"</i>
G.S. 20-279.21	(a2)	<i>"than the minimum limits required by"</i>
G.S. 58-36	(a3)	<i>"inexperienced operator premium surcharge pursuant to"</i>
G.S. 20-311(g)	(h)	<i>"Recodified as"</i>

APPARATUS III

Citation

FULL SECTION

N.C. Gen. Stat. § 20-309 (2025).

PINPOINT

N.C. Gen. Stat. § 20-309(a) (2025).

Pinpoint keys are set in the left margin of the text rather than line numbers: subsection designators are stable across editions and paper sizes, line numbers are not.

COLOPHON

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HISTORY PARENTHETICAL, AS PRINTED BY THE STATE

(1957, c. 1393, s. 1; 1959, c. 1277, s. 1; 1963, c. 964, s. 1; 1965, c. 272; c. 1136, ss. 1, 2; 1967, c. 822, ss. 1, 2; c. 857, ss. 1, 2; 1971, c. 477, ss. 1, 2; c. 924; 1975, c. 302; c. 348, ss. 1-3; c. 716, s. 5; 1979, 2nd Sess., c. 1279, s. 1; 1981, c. 690, s. 25; 1983, c. 761, s. 146; 1983 (Reg. Sess., 1984), c. 1069, ss. 1, 2; 1985, c. 666, s. 84; 1991, c. 402, s. 1; 1999-330, s. 4; 1999-452, s. 20; 2000-140, s. 100(a); 2000-155, s. 20; 2005-276, s. 6.37(p); 2006-213, s. 5; 2006-264, s. 38; 2007-484, ss. 7(a), (d); 2009-550, s. 4; 2015-125, s. 3; 2015-135, s. 4.3; 2015-146, s. 4; 2025-25, s. 29(5); 2025-45, s. 8(b).)

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