



July 21, 2016

CIRCULAR LETTER TO ALL MEMBER COMPANIES

Re: House Bill 959  
Cession of Mopeds - Clarified

By Circular Letter To All Member Companies RF-16-9, dated July 7, 2016, member companies were notified that House Bill 959 was passed by the Legislature. One effect of this bill is that moped liability insurance continues to be cedable to the Reinsurance Facility effective July 1, 2016. The circular also indicated that the bill had not been signed by the Governor. The Governor has subsequently signed the bill and the provisions became effective retroactively to July 1, 2016.

House Bill 959 also included language in a separate section of the bill, which section becomes effective December 1, 2016, that appears to state that moped liability insurance is not eligible for cession to the Reinsurance Facility effective on that date. We have conferred with the Legislative Analysis Division of the General Assembly, and been advised that is how the pertinent portion of statute G.S. § 58-37-1 will read **effective December 1, 2016**:

**§ 58-37-1. Definitions.**

As used in this Article:

(6) "Motor vehicle" means every self-propelled vehicle that is designed for use upon a highway, including trailers and semitrailers designed for use with such vehicles (except traction engines, road rollers, farm tractors, tractor cranes, power shovels, and well drillers). "Motor vehicle" also means a motorcycle, as defined in G.S. 20-4.01(27)d., and a moped, as defined in G.S. 20-4.01(27)d1.

G.S. 20-4.01(27)d1., or ["Motor vehicle" does not mean] an electric assisted bicycle, as defined in G.S. 20-4.01(7a).

Based on this information, cession to the Reinsurance Facility of liability insurance on mopeds for eligible risks will continue on and after December 1, 2016 without interruption.

Please see to it that this circular is brought to the attention of all interested personnel in your company.

Sincerely,

Edith Davis

Chief Operating Officer

North Carolina Reinsurance Facility

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RF-16-11