

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025**

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SENATE BILL 905

Short Title: Foster Care Motor Vehicle Insurance. (Public)

Sponsors: Senators Sawyer and Jones (Primary Sponsors).

Referred to: Rules and Operations of the Senate

April 30, 2026

A BILL TO BE ENTITLED

AN ACT DIRECTING THE NORTH CAROLINA RATE BUREAU TO AMEND THE EXISTING NAMED DRIVER EXCLUSION ENDORSEMENT FOR PERSONS RECEIVING FOSTER CARE, CLARIFYING THAT A FOSTER PARENT MAY TERMINATE AN ENDORSEMENT PROVIDING MOTOR VEHICLE LIABILITY COVERAGE FOR A PERSON RECEIVING FOSTER CARE IF THE OWNER NO LONGER PROVIDES FOSTER CARE, ESTABLISHING A FOSTER CARE AUTOMOBILE INSURANCE FINANCIAL ASSISTANCE PROGRAM, AND APPROPRIATING FUNDS FOR THE FINANCIAL ASSISTANCE PROGRAM.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 20-309(a2) reads as rewritten:

"(a2) Notwithstanding any other provision of this ~~Chapter, an~~ Chapter or Chapter 58 of the General Statutes:

(1) 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-person receiving foster care, as defined in G.S. 131D-10.2, residing in the foster parent's or parents' household, may be certified as proof of financial responsibility, provided that each foster child-person receiving foster care 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-persons receiving foster care as described herein. This endorsement shall meet the following requirements:

- a. It shall be available to any person who received foster care during the coverage period.
- b. It shall not withhold coverage solely because the person in foster care resides in a household with an existing motor vehicle liability policy.
- c. It shall provide coverage for the operation by the person receiving foster care of any nonfleet passenger motor vehicle furnished or available to that person for regular use.

(2) It shall not be a violation of this Article for the owner of a motor vehicle who provided foster care to terminate an endorsement providing motor vehicle liability insurance coverage for a person receiving foster care if the owner no longer provides foster care for that child."



1 **SECTION 2.** Article 36 of Chapter 58 of the General Statutes is amended by adding
2 a new section to read:

3 **"§ 58-36-44A. Development of policy form or endorsement providing named non-owner**
4 **passenger motor vehicle coverage for persons receiving foster care.**

5 The Rate Bureau shall develop an optional policy form or endorsement, to be filed with the
6 Commissioner for approval no later than October 1, 2026, that provides named non-owner
7 nonfleet private passenger motor vehicle liability coverage for persons receiving foster care, as
8 that term is defined by G.S. 131D-10.2, and that complies with the requirements of
9 G.S. 20-309(a2)."

10 **SECTION 3.** Article 1A of Chapter 131D of the General Statutes is amended by
11 adding a new section to read:

12 **"§ 131D-10.9D. Foster care automobile insurance financial assistance program.**

13 (a) Program Established. – The Department, in consultation with the Commissioner of
14 Insurance, shall establish a program to provide financial assistance for the purchase of (i) an
15 owner's policy of motor vehicle liability insurance issued to a foster parent that includes an
16 endorsement covering a person that receives foster care and resides in the foster parent's
17 household or (ii) a non-owner policy of motor vehicle liability insurance issued to a person
18 receiving foster care that complies with the requirements of G.S. 20-309(a2) and
19 G.S. 58-36-44A.

20 (b) Financial Assistance. – The program developed pursuant to this section shall provide
21 the following financial assistance for eligible motor vehicle liability coverage:

22 (1) Payment or reimbursement of the increase in premiums caused by adding a
23 person receiving foster care to a foster parent's owner's policy of motor vehicle
24 liability.

25 (2) Payment or reimbursement of the cost of premiums for a non-owner's policy
26 of motor vehicle liability issued to a person receiving foster care.

27 (3) Coverage of all or a portion of an applicable deductible, not to exceed one
28 thousand dollars (\$1,000), for claims arising from the operation of a motor
29 vehicle by a person receiving foster care.

30 (c) Eligibility. – Financial assistance shall not be provided pursuant to this section unless
31 the person receiving foster care and covered by an eligible policy has completed a drivers
32 education program that is approved by the State Superintendent of Public Instruction and is
33 offered at a public high school, a nonpublic secondary school, or a licensed drivers training
34 school.

35 (d) Rules. – The Social Services Commission shall adopt rules to implement the
36 provisions of this section."

37 **SECTION 4.** There is appropriated to the Department of Health and Human Services
38 the sum of one million dollars (\$1,000,000) in nonrecurring funds for the 2026-2027 fiscal year
39 to implement the purposes of this act.

40 **SECTION 5.** Sections 1 and 2 of this act are effective when they become law.
41 Section 3 of this act becomes effective July 1, 2026. The remainder of this act becomes effective
42 January 1, 2027, and applies to policies issued or renewed on or after that date.