



Insurance Requirements

The state of North Carolina began registering vehicles for the first time on July 1, 1909. Since that time, the North Carolina highway system has become the largest state-maintained road system in the nation. During the same period, the number of uninsured vehicles grew so rapidly that in 1957 North Carolina became one of the first states to adopt a compulsory insurance law named The Vehicle Financial Responsibility Act.

The Vehicle Financial Responsibility Act of 1957 requires that all motor vehicles registered in the state must be covered by an automobile liability insurance policy and that the insurance must remain in effect with continuous coverage until the registration is terminated.

The insurance must be provided by a company that is licensed to do business in North Carolina. The law is designed to compensate accident victims for property losses and personal injuries and is designed for your protection.

North Carolina's compulsory insurance law is strictly enforced. If you cancel your insurance, or coverage is discontinued for any reason, your insurance company will notify the DMV that your policy has lapsed.

Upon receipt of this notice, the NCDMV will mail you a Notification of Termination of Liability Insurance Coverage. Failure to respond to this letter providing the requested information within the required timeframe may result in the revocation of your license plate, as required by law.

To relicense your vehicle after the revocation period, you will be required to pay a \$50, \$100, or \$150 civil penalty depending on how many prior paid lapses you've had within a three year period. You may also be required to pay a \$50 restoration fee and/or a \$50 service fee if a pick-up order was issued to Law Enforcement to seize your license plate. In addition, you will be required to pay all other registration fees that are applicable.