

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025

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HOUSE BILL 368
Committee Substitute Favorable 4/9/25
Senate Judiciary Committee Substitute Adopted 6/16/26

Short Title: Revise Child Passenger Restraint Systems Law.

(Public)

Sponsors:

Referred to:

March 12, 2025

1 A BILL TO BE ENTITLED
2 AN ACT TO REVISE THE LAW REGARDING THE MANDATORY USE OF CHILD
3 PASSENGER RESTRAINT SYSTEMS AND TO ADD ARBITRATION
4 REQUIREMENTS FOR UNINSURED AND UNDERINSURED MOTOR VEHICLE
5 LIABILITY POLICIES.

6 The General Assembly of North Carolina enacts:

7 **SECTION 1.(a)** G.S. 20-137.1 reads as rewritten:

8 **"§ 20-137.1. Child restraint systems required.**

9 (a) Every driver who is transporting one or more passengers of less than 16 years of age
10 shall have all such passengers properly secured in a child passenger restraint system or seat belt
11 which meets federal standards applicable at the time of its manufacture. For purposes of this
12 section, a "child passenger restraint system" means any device designed to restrain or position a
13 child in a motor vehicle, including a booster seat.

14 (a1) A child less than eight years of age and less than ~~80 pounds in weight~~ 57 inches in
15 height shall be properly secured in a weight appropriate height and weight appropriate child
16 passenger restraint system. In vehicles equipped with an active passenger-side front air bag, if
17 the vehicle has a rear seat, a child less than five years of age and less than 40 pounds in weight
18 shall be properly secured in a rear seat, unless the child restraint system is designed for use with
19 air bags. If system as follows:

20 (1) Beginning as a newborn, a child shall be properly secured in a rear-facing
21 child passenger restraint system with transition to a forward-facing system
22 according to the manufacturer's instructions related to the child's height and
23 weight requirements for use of the system as indicated by the federally
24 required label on the car seat which states those requirements.

25 (2) The child shall be properly secured in a child passenger restraint system in a
26 rear seat of a vehicle and may only be positioned in the front seat of a vehicle
27 if one of the following exceptions applies:

28 a. The vehicle does not have a rear seat. However, under no
29 circumstances shall a child be placed in the front seat of a vehicle that
30 has an active front air bag using a rear-facing child passenger restraint
31 system. When height and weight requirements for use of a child
32 passenger restraint system require the seat to be rear-facing, the seat
33 must be secured in a vehicle with a rear seat.

34 b. The vehicle is not equipped with an active passenger-side front air bag.



1 c. The child passenger restraint system is designed for use with front air
2 bags when used according to the manufacturer's instructions as
3 indicated by the federally required label on the car seat.

4 (a2) A driver may satisfy the requirements of this section by properly securing a child
5 passenger with a seat belt as follows:

6 (1) Notwithstanding subsection (a1) of this section, if no seating position
7 equipped with a lap and shoulder belt to properly secure the
8 weight-appropriate child passenger restraint system is available, a child less
9 than eight years of age and ~~between~~ at least 40 and 80 pounds may be
10 restrained by a properly fitted lap belt only.

11 (2) A child who is at least eight years of age or 57 inches in height may be
12 restrained by a properly secured lap and shoulder belt. For purposes of this
13 subdivision, a lap and shoulder belt are properly secured if, when fastened, all
14 of the following apply:

15 a. The lap belt fits across the child's thighs and hips and not across the
16 child's abdomen.

17 b. The shoulder belt crosses the child's body diagonally at approximately
18 the mid-point of the child's shoulder and the center of the child's chest.

19 c. The child is able to sit with the child's back straight against the
20 vehicle's seat back cushion and with the child's knees bent over the
21 vehicle's seat edge without slouching.

22"

23 **SECTION 1.(b)** This section becomes effective December 1, 2026, and applies to
24 offenses committed on or after that date.

25 **SECTION 2.(a)** G.S. 20-279.21 reads as rewritten:

26 **"§ 20-279.21. "Motor vehicle liability policy" defined.**

27 ...

28 (f) Every motor vehicle liability policy shall be subject to the following provisions which
29 need not be contained therein:

30 ...

31 (5) For any uninsured or underinsured claim under a policy, if the insured and the
32 insurer do not agree whether the insured is legally entitled to recover
33 compensatory damages from the owner of an uninsured or underinsured motor
34 vehicle or the amount of compensatory damages, then the insured may
35 demand to settle these disputes by arbitration.

36 a. If an insured files a lawsuit against the insurer or the owner or operator
37 of an uninsured or underinsured vehicle seeking damages that are
38 subject to a claim for uninsured or underinsured motorist coverage
39 under the policy, the insured shall have the right to demand arbitration
40 only if both of the following apply:

41 1. The suit is filed within the time limit required by the law of the
42 state where the accident occurred for filing a lawsuit against
43 the owner or operator of the uninsured or underinsured motor
44 vehicle for the damages arising out of the accident.

45 2. The insured gives the insurer a written demand for arbitration
46 within 30 days after the filing of the lawsuit.

47 b. For underinsured motorist claims, the insured shall provide the insurer
48 notice of the arbitration demand within 30 days after the latest of the
49 following:

- 1 1. The date the insurer advances payment to the insured in an
- 2 amount equal to a tentative settlement between the insured and
- 3 the owner or operator of the underinsured motor vehicle.
- 4 2. The date any applicable liability bonds or policies have been
- 5 exhausted by payments of judgments or settlements.
- 6 3. The filing of a lawsuit pursuant to sub-subdivision a. of this
- 7 subdivision.
- 8 c. Unless the insured and insurer agree on a different procedure, the
- 9 following procedures shall be used for all arbitrations under this
- 10 subdivision:
- 11 1. Each party will select a competent arbitrator. The two selected
- 12 arbitrators will select a third competent and disinterested
- 13 arbitrator.
- 14 2. If the third arbitrator is not selected within 30 days, the insured
- 15 or insurer may request a judge of a court of record to name one.
- 16 The court must be in the county and state in which arbitration
- 17 is pending.
- 18 3. Each party will pay its chosen arbitrator and half of all other
- 19 expenses of arbitration. Fees to lawyers and expert witnesses
- 20 are not considered arbitration expenses and are to be paid by
- 21 the hiring party.
- 22 4. Unless the insured and insurer agree otherwise, arbitration will
- 23 occur in the county and state where the insured resides.
- 24 Arbitration will be subject to the rules of procedure and
- 25 evidence in the county and state. The arbitrators will resolve
- 26 the issues. A written decision on which two arbitrators agree is
- 27 binding on the insured and insurer.
- 28 5. Judgment upon award may be entered in any proper court.

...."

SECTION 2.(b) This section is effective when it becomes law and applies to any claim for uninsured motorist coverage or underinsured motorist coverage that is pending and has not been finally adjudicated or settled as of that date.

SECTION 3. Except as otherwise provided, this act is effective when it becomes law.