

It's so easy to take a car off of your [car insurance policy](#), just call your agent and tell them. And when you have signed your title over to the buyer, it seems like you are really finished with the process. But, a cautionary tale here can remind you that under no circumstances should you ever let the new buyer drive off with your tags still on that vehicle. It could ruin you financially.

In NC when you buy a car from someone, even though they have signed the title over to you, the state doesn't recognize that transaction until the buyer registers the car. And the one thing that will force the new buyer to do this is if he or she doesn't have any tags to put on the car. Here's a story that drives this point home.

Someone I know, who was not one of our clients, sold one of his vehicle, a pickup truck, to a friend. He then called his agent and asked them to take the vehicle off of his policy. The buyer of the car drove off with his license plate on the vehicle and then they failed to go to the DMV to register the car in their name and get their own tags. They also failed to add this truck to their [personal auto insurance policy](#).

A few weeks later, they loaned the truck back to my friend as he had to pick up a large item from the store. On the way to the store, my friend had a terrible accident which resulted in nearly \$100,000 of damages. In this case, he is driving a car, registered in his name, without insurance. But in his mind, he had sold it and he shouldn't need insurance. As you can imagine, he was held accountable for all of the damages from this accident.

This is an odd story but the same result could have happened if the new buyer's were driving and had an accident. The real key take away knowledge from this story is that you should never, ever let someone drive away with your tags on your vehicle. It leaves you exposed to losses you cannot control and could ruin you financially.

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