

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2011

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SENATE BILL 738
Insurance Committee Substitute Adopted 6/7/11
Third Edition Engrossed 6/8/11

Short Title: Liability Insurance Required for ABC Permits.

(Public)

Sponsors:

Referred to:

April 20, 2011

1 A BILL TO BE ENTITLED
2 AN ACT TO REQUIRE THAT A PERSON THAT HOLDS CERTAIN ALCOHOLIC
3 BEVERAGE CONTROL PERMITS HAVE AT LEAST ONE MILLION DOLLARS IN
4 LIABILITY INSURANCE.

5 The General Assembly of North Carolina enacts:

6 **SECTION 1.** G.S. 18B-123 reads as rewritten:

7 "**§ 18B-123. Limitation on damages.**

8 The total amount of damages that may be awarded to all aggrieved parties pursuant to any
9 claims for relief under this Article is limited to no more than ~~five hundred thousand dollars~~
10 ~~(\$500,000)~~ one million dollars (\$1,000,000) per occurrence. When all claims arising out of an
11 occurrence exceed ~~five hundred thousand dollars (\$500,000)~~, one million dollars (\$1,000,000),
12 each claim shall abate in the proportion it bears to the total of all claims."

13 **SECTION 2.** Article 1 of Chapter 18B of the General Statutes is amended by
14 adding a new section to read:

15 "**§ 18B-123.1. Liability insurance required.**

16 A person holding an ABC permit or permits issued pursuant to G.S. 18B-1001(1), (3), (5),
17 and (10) shall maintain in full force and effect a policy of liability insurance in an amount of
18 not less than one million dollars (\$1,000,000). A person that has a lapse in coverage under such
19 policy or cancels a policy required by this section shall have any ABC permits issued to them
20 summarily revoked by the Commission upon notification of such lapse by the policyholder or
21 issuer. The revocation authorized by this section is not subject to the provisions of Chapter
22 150B of the General Statutes. The requirement of liability insurance under this section does not
23 replace or eliminate any other remedy an aggrieved party may have in the law or at common
24 law."

25 **SECTION 3.** Article 1 of Chapter 18B of the General Statutes is amended by
26 adding a new section to read:

27 "**§ 18B-123.2. Notification of lapse or cancellation required.**

28 An insurance company that issues a policy of liability insurance under G.S. 18B-123.1 to a
29 person who holds an ABC permit or permits issued pursuant to G.S. 18B-1001(1), (3), (5), and
30 (10) shall notify the Commission within 10 days of the cancellation or lapse of the liability
31 insurance policy."

32 **SECTION 4.** This act becomes effective December 1, 2011, and applies to all
33 ABC permits issued, registered, or renewed on or after that date.

