

NORTH CAROLINA GENERAL ASSEMBLY  
1981 SESSION

CHAPTER 1109  
HOUSE BILL 992

AN ACT TO PROVIDE LIABILITY INSURANCE COVERAGE FOR THE LAW  
ENFORCEMENT OFFICERS AND LAW ENFORCEMENT SUPPORT PERSONNEL  
EMPLOYED BY THE STATE.

The General Assembly of North Carolina enacts:

**Section 1.** There is established a General Fund Reserve for State Law Enforcement Professional Liability Insurance in the amount of one hundred thirty thousand eight hundred thirty dollars (\$130,830) for fiscal year 1981-82. There is established a Highway Fund Reserve for State Law Enforcement Professional Liability Insurance in the amount of thirty-seven thousand one hundred twenty dollars (\$37,120) for fiscal year 1981-82. The director of the budget is directed to transfer to the head of a department from the General Fund Reserve for State Law Enforcement Professional Liability Insurance and from the Highway Fund Reserve for State Law Enforcement Professional Liability Insurance as applicable sufficient funds to enable the requesting department to acquire professional liability insurance covering the law enforcement officers and employees thereof as provided in G.S. 143B-424.1.

**Sec. 2.** G.S. 143-300.6(c) is amended by changing the period at the end of that section to a comma and adding the following:

"except that this subsection shall not apply to programs of insurance written under the authority of G.S. 143B-424.1; and programs of insurance written under G.S. 143B-424.1 shall not be deemed to be commercial liability insurance within the meaning of this section."

**Sec. 3.** Part 20 of Article 9 of General Statutes Chapter 143B is amended by adding a new section to read:

**"§ 143B-424.1. Professional liability insurance for State officials.** – (a) The Commission may acquire professional liability insurance covering the officers and employees, or any group thereof, of any State department, institution or agency. Premiums for such insurance shall be paid by the requesting department, institution or agency, at rates established by the Commission, from funds made available to such department, institution or agency for the purpose.

(b) The Commission, pursuant to this section, may acquire professional liability insurance covering the officers and employees, or any group thereof, of a department, institution or agency of State government only if the coverage to be provided by such policy is in excess of the protection provided by Articles 31 and 31A of General Statutes Chapter 143.

(c) The purchase, by any State department, institution or agency of professional liability insurance covering the law enforcement officers, officers or employees of such department, institution or agency shall not be construed as a waiver of any defense of sovereign immunity by such department, institution or agency. The purchase of such insurance shall not be deemed a waiver by any employee of the defense of sovereign immunity to the extent that such defense may be available to him.

(d) The payment, by any State department, institution or agency of funds as premiums for professional liability insurance through the plan provided herein, covering the law enforcement officers or officials or employees of such department, institution or agency is hereby declared to be for a public purpose."

**Sec. 4.** G.S. 58-194.2 is rewritten to read:

**"§ 58-194.2. Insurance and official fidelity bonds for State agencies to be placed by department; exception; costs of placement.** — Except as provided in G.S. 143B-424.1, all insurance and all official fidelity and surety bonds authorized for State departments, institutions, and agencies shall be effected and placed by the department, and the cost of such placement shall be paid by the department, institution, or agency involved upon bills rendered to and approved by the Commissioner."

**Sec. 5.** This act is effective upon ratification.

In the General Assembly read three times and ratified, this the 10th day of October, 1981.