

KFN7597.7

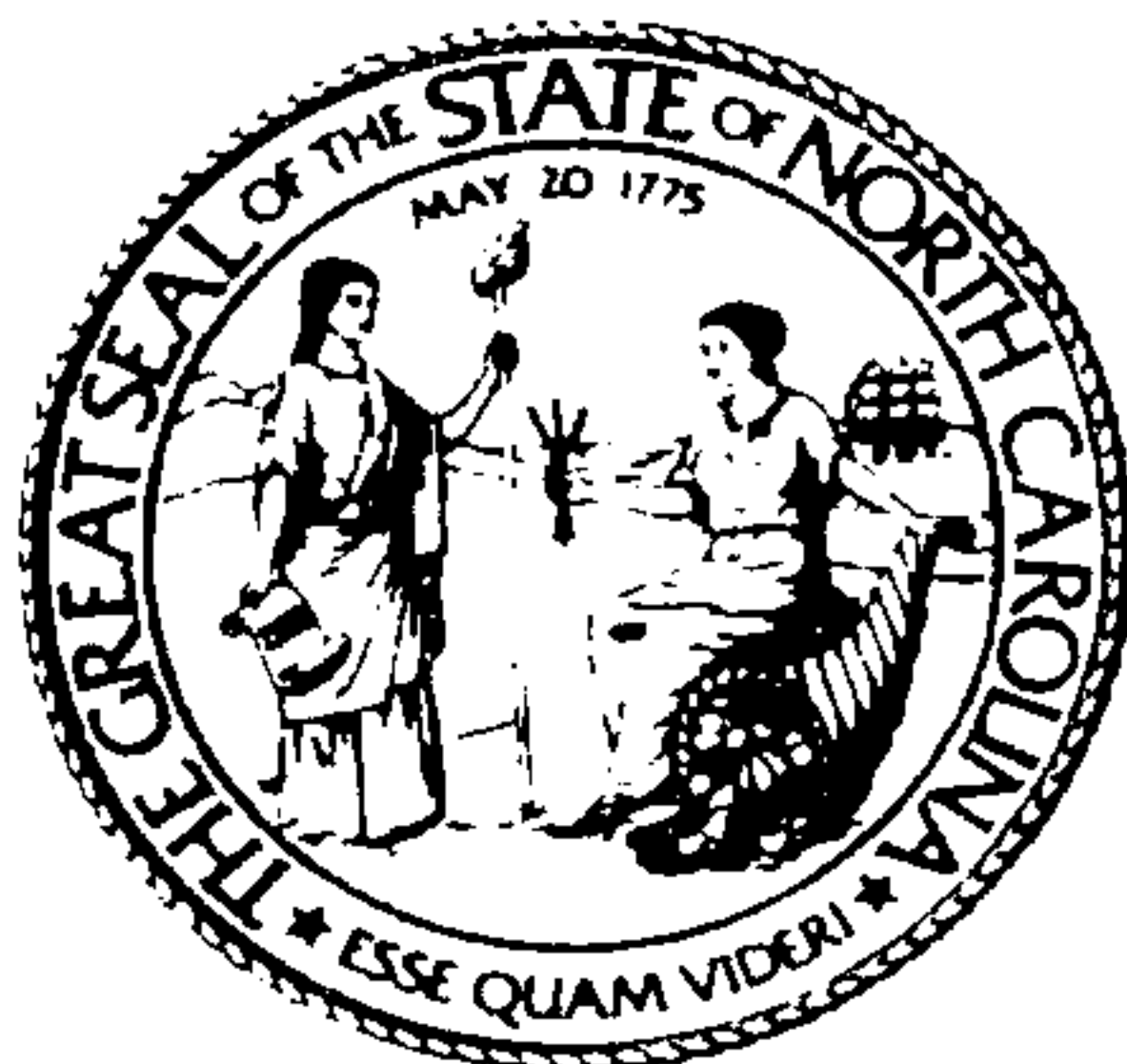
.A25

1981

c.2

LEGISLATIVE RESEARCH COMMISSION

PRODUCTS LIABILITY



REPORT TO THE 1981 GENERAL ASSEMBLY OF NORTH CAROLINA

A limited number of copies of this report is available for
distribution through the Legislative Library.

Room 2126, 2226
State Legislative Building
Raleigh, N. C. 27611

Phone: (919) 733-7778

STATE OF NORTH CAROLINA
LEGISLATIVE RESEARCH COMMISSION
STATE LEGISLATIVE BUILDING
RALEIGH 27611



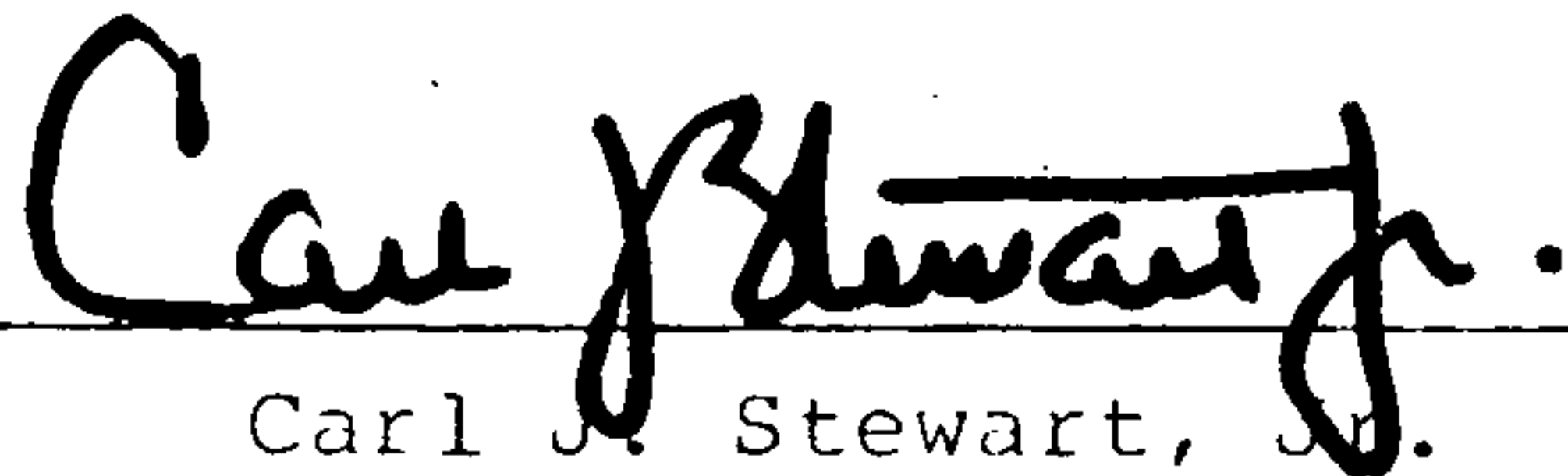
January 14, 1981

TO THE MEMBERS OF THE 1981 GENERAL ASSEMBLY:

The Legislative Research Commission herewith reports to the 1981 General Assembly on the matter of products liability laws and insurance. The report is made pursuant to 1979 Session Laws Chapter 979.

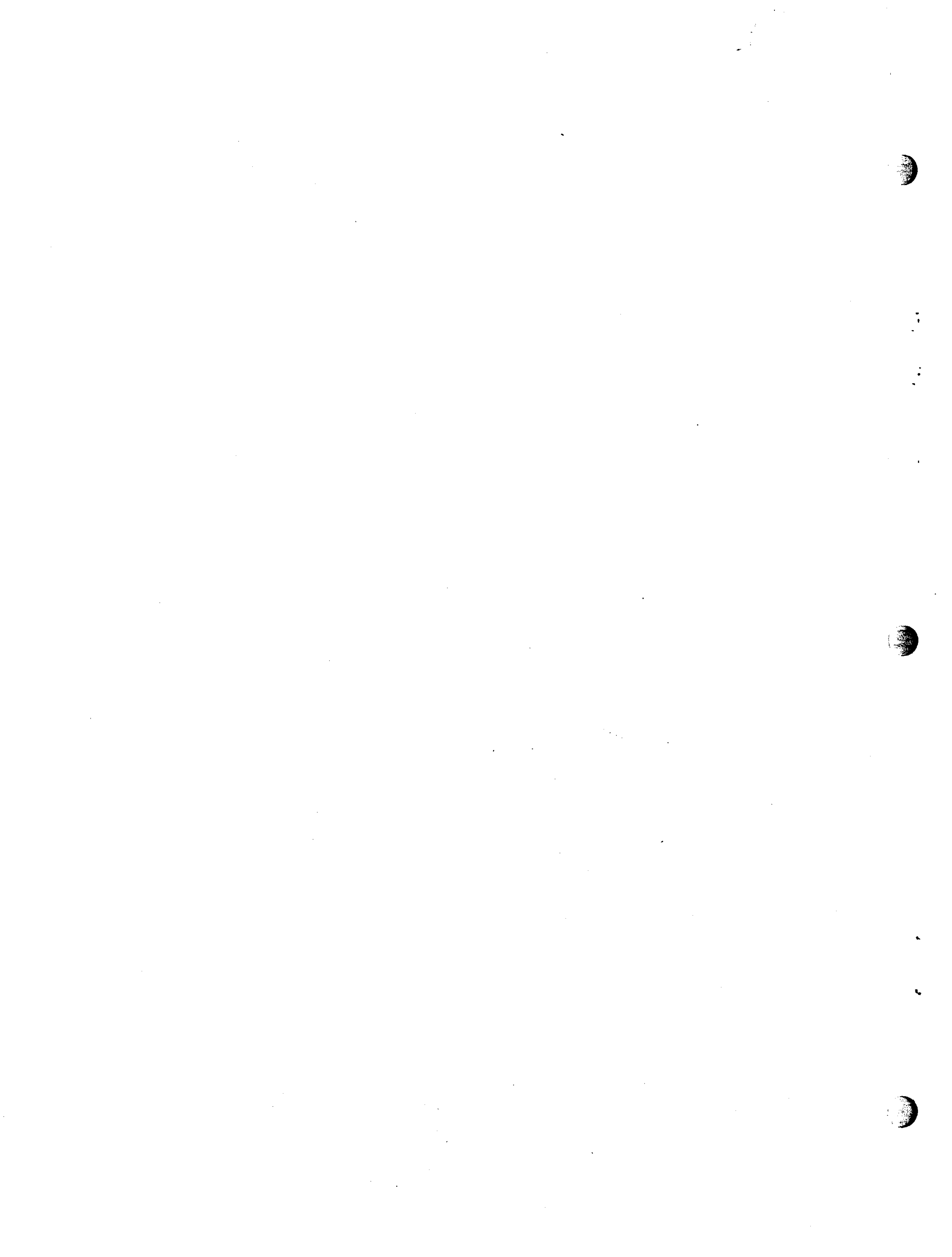
This report was prepared by the Legislative Research Commission's Products Liability Study Committee and is transmitted by the Legislative Research Commission for your consideration.

Respectfully submitted,


Carl J. Stewart, Jr.


W. Craig Lawing

Cochairmen
Legislative Research Commission



CONTENTS

PAGE

INTRODUCTION	1
COMMITTEE PROCEEDINGS AND FINDINGS	3
RECOMMENDATION	8

APPENDICES:

- A. LEGISLATIVE RESEARCH COMMISSION 1979-1981
- B. PRODUCTS LIABILITY STUDY COMMITTEE 1979-1981
- C. 1979 SESSION LAWS CHAPTER 654 (SB 289)
RESULTANT CODIFICATIONS, AND OTHER RELEVANT
GENERAL STATUTES
- D. 1979 SESSION LAWS CHAPTER 979(HB 1311)



INTRODUCTION

The Legislative Research Commission, created by Article 6B of General Statutes Chapter 120, is authorized pursuant to the direction of the General Assembly "to make or cause to be made such studies of and investigations into governmental agencies and institutions and matters of public policy as will aid the General Assembly in performing its duties in the most efficient and effective manner" and "to report to the General Assembly the results of the studies made," which reports "may be accompanied by the recommendations of the Commission and bills suggested to effectuate the recommendations." G.S. 120-30.17. The Commission is chaired by the Speaker of the House and the President Pro Tempore of the Senate, and consists of five Representatives and five Senators, who are appointed respectively by the Cochairmen. G.S. 120-30.10(a).

At the direction of the 1979 General Assembly, the Legislative Research Commission has undertaken studies of twenty-five matters, which were arranged into ten groups according to related subject matter. See Appendix A for a list of the Commission members. Pursuant to G.S. 120-30.10(b) and (c), the Commission Cochairmen appointed study committees consisting of legislators and public members to conduct the studies. Each member of the Legislative Research Commission was delegated the responsibility of overseeing one group of studies and causing the findings and recommendations of the various committees to be reported to the Commission. In addition, one Senator and one Representative from each study committee were designated Cochairmen. See Appendix B for a list of the Study Committee members.

In response to rapidly escalating premiums for products liability insurance and to potential non-availability of such coverage, the 1979 General Assembly enacted comprehensive legislation to remedy these problems. (See APPENDIX C.) By codifying North Carolina's case law, removing uncertainty in the statutes of limitations for products liability actions, and by establishing an absolute time after the purchase of a product beyond which no action can be maintained, the General Assembly intended to guarantee the continued availability of products liability insurance coverage to North Carolina manufacturers, wholesalers, and retailers; and thereby assure that these persons would be able to continue their businesses without the fear of large monetary losses and resultant insolvencies, bankruptcies, and cessation of operations. The General Assembly felt that the circumvention of these potential adversities was in the public interest; otherwise, the economy of the State would be seriously disrupted, with subsequent regional and national repercussions.

The 1979 General Assembly sought information on the products liability insurance income and loss experience of insurance companies doing business in the State; only to discover that these particular data were, in the normal course of business, integrated with such experience of manufacturers' general liability insurance coverages. In order to isolate the products liability data for analysis, the General Assembly enacted legislation requiring annual reports from companies who insure North Carolina businesses for products liability. (See Section 1 of APPENDIX D.)

The third action of the 1979 General Assembly was to authorize the Legislative Research Commission to study the State's

products liability laws, the effects of the 1979 legislation, and the availability of products liability insurance in North Carolina and report to the 1981 General Assembly. After the adjournment of the 1979 Session, the Cochairmen appointed the Products Liability Study Committee. (See Sections 2 and 3 of APPENDIX D.)

COMMITTEE PROCEEDINGS AND FINDINGS

The Committee decided to postpone its meetings, absent any critical situations, because the effects of the 1979 legislation would not be discernable for a substantial amount of time after its effective date of October 1, 1979, and the reports required by new G.S. 58-21.2 would not be available for compilation and analysis until the June 1, 1980, deadline for their receipt had passed.

Prior to the first meeting the Committee Counsel researched the 1979 legislation, monitored the progress of the U. S. Department of Commerce Product Liability Task Force, and maintained contact with the N. C. Department of Insurance regarding the availability of products liability insurance and the new experience reporting requirement.

The Committee held its first meeting on Thursday, November 13, 1980. The members were informed that a number of attorneys and law professors in the State had analyzed the products liability legislation found in 1979 Session Laws Chapter 654 (SB 189), which became effective on October 1, 1979, and that no one could at this early stage predict exactly what the effects of most of the law's provisions, either on insurance underwriting and rate-making or on litigation, would be. One provision that has elicited

considerable discussion is the new six-year statute of repose that now appears in N. C. General Statute §1-50(6). That provision states in effect that no action in relation to a given product may be brought more than six years after "the date of initial purchase" of the product "for use or consumption". The objective of this statute is to assure manufacturers (and their insurers) that after a definite period of time has elapsed there will be no liability for injuries caused by their products, and thus relieve manufacturers of the burden of paying escalating products liability insurance premiums, which had been based on the risks of long-term exposure to legal liability.

The members were then informed about the experience reports received by the N. C. Department of Insurance pursuant to G.S. 58-21.1 (Section 1 of 1979 Session Laws Chapter 979). Because that requirement became effective on July 1, 1979, the first series of reports would cover only the last six months of calendar year 1979. All reports are due on or before June 1 of each year and are supposed to reflect the insurers' experience during the previous calendar year. The Committee Counsel said he had received copies from the Department of all reports filed and had tabulated an experience summary by line item. Subsequently, he discovered that the company underwriting a very significant number of North Carolina policies had not been able to collect all of its underwriting data and thus had not yet filed its report. Consequently, the summary is incomplete; and even if it was complete, it would only reflect six months of experience. He further said that a full year of experience would of course be a more accurate reflection of the underwriting situation in North Carolina.

The Counsel then informed the Committee of the status of the Risk Retention Act, which was introduced in January, 1980, by Congressman Richardson Preyer (D-N.C.). This federal measure would permit state regulation of captives and group purchases of products liability insurance, audit and bonding capability by state regulators, and restriction of off-shore captives, and would require reciprocity among states. He further said he had been told that there was a good chance of its passage prior to the adjournment of the 96th Congress. Next, Mr. Charles Blanchard, a Raleigh attorney representing the N. C. Academy of Trial Lawyers, addressed the Committee on two matters: The six-year statute of repose and the question of who can bring suit under implied warranties of (1) merchantability and (2) fitness for a particular purpose.

On the first matter, Mr. Blanchard stated the Academy's opposition to the statute eliminating all claims six years after the "date of initial purchase for use or consumption". He asserted that this will provide no real relief or certainty for insurance underwriters and insured manufacturers because the nationwide data shows that most claims are filed before that period is up; and that this statute would apply only in this State, and therefore would act as a detriment to North Carolina consumers and not help North Carolina manufacturers who send products to other states; and that a longer period of time, for example anywhere between eight and 12 years, would be fairer and yet provide underwriters with a clearer picture of risks than they had before the 1979 legislation. He also mentioned that his research showed that other states with considerably more liberal

legal recovery systems (e.g., absolute or strict liability) than North Carolina's had established longer statutes of repose, ranging from eight to 12 years. Finally, he suggested that a law denying people legal remedies before their rights to bring suit accrue might be constitutionally suspect as a denial of due process or equal protection of the laws.

On the matter of breach of implied warranties, Mr. Blanchard suggested that bailees, employees covered by workers' compensation insurance, bystanders, and donees who are injured by defective products should be able to bring suit for breach of implied warranty. He said that this is the law in a number of other states, and suggested extending this "privity" in North Carolina to any person likely to be harmed by a product defect.

After some discussion among the Committee members, the consensus was that more time was needed to judge the impact of the 1979 legislation.

The second and final Committee meeting was held on Tuesday, December 9, 1980. The Committee Counsel updated the members on the matters discussed at the first meeting and reported that the report of the company underwriting a very significant number of North Carolina policies was still outstanding. The Counsel said he had discussed this matter with an official of that company and was told that the data was forthcoming. Counsel further stated that he was told that the North Carolina office of that company had long ago forwarded whatever information it had to the company's home office (where the rest of the data was stored), and the problem the home office's actuarial department had encountered was compiling and conforming the data to the required

disclosure provisions in G.S. 58-21.2. Counsel further stated that he had been informed that this company underwrote 13,000 policies in North Carolina.

Mr. Alan Briggs, of the N. C. Academy of Trial Lawyers, was recognized to make a presentation on behalf of the Academy. Mr. Briggs cited examples in other states in which proposed statutes of repose similar to G.S. 1-50(6) had been rejected by either legislative action or gubernatorial veto. He asked the Committee to consider a recommendation to either (a) repeal G.S. 1-50(6) thus reviving the application of the ten-year repose provision in G.S. 1-52(16) or (b) lengthen the time period in G.S. 1-50(6).

Mr. Douglas B. Abrams, a Raleigh attorney, reiterated the concerns about possible problems of statutory construction that he and Mr. Charles F. Blanchard addressed in their article on the 1979 legislation, which appears in Volume 16, Number 2, of the Wake Forest Law Review.

After some questions by and discussion among the Committee members, the consensus was that there was still not enough experience under the new act upon which the Committee could base a recommendation to change any of its provisions.

Discussion then turned to the reporting statute (G.S. 58-21.2). Counsel told the Committee that because the reports for calendar year 1980 are not past due until after June 1, 1981, an analysis of a full year's experience will not be available until mid- or late June. The Committee members were of the opinion that if the structure of the present statute is going to cause a delay such as the one experienced thus far, it should be rewritten to provide

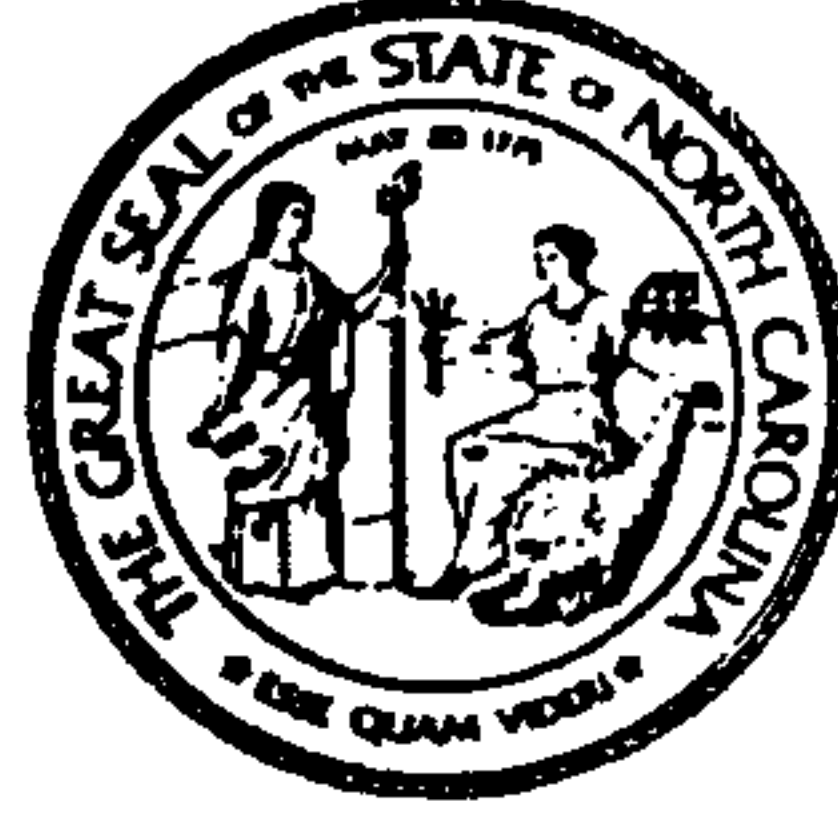
for more expeditious disclosures by insurers doing business in the State.

RECOMMENDATION

The Committee recommends that the 1981 Senate and House Insurance Committees investigate any problems associated with present G.S. 58-21.2, recommend any necessary changes to that statute, and develop in conjunction with the Commissioner of Insurance a reporting form that will best serve the public interest.

APPENDIX A

STATE OF NORTH CAROLINA
LEGISLATIVE RESEARCH COMMISSION
STATE LEGISLATIVE BUILDING
RALEIGH 27611



MEMBERSHIP

1979-1981

Cochairmen:

House Speaker Carl J. Stewart, Jr.

Senate President Pro Tempore W. Craig Lawing

Members:

Representative Chris S. Barker, Jr.
New Bern

Senator Henson P. Barnes
Goldsboro

Representative John R. Gamble, Jr.
Lincolnton

Senator Melvin R. Daniels, Jr.
Elizabeth City

Representative H. Parks Helms
Charlotte

Senator Carolyn Mathis
Charlotte

Representative John J. Hunt
Lattimore

Senator R. C. Soles, Jr.
Tabor City

Representative Lura S. Tally
Fayetteville

Senator Charles E. Vickery
Chapel Hill

APPENDIX B

STATE OF NORTH CAROLINA
LEGISLATIVE RESEARCH COMMISSION
STATE LEGISLATIVE BUILDING
RALEIGH 27611



PRODUCTS LIABILITY STUDY COMMITTEE

1979-81

Legislative Research Commission Member Responsible for Study:

Representative Parks Helms
Charlotte

Committee Cochairmen:

Representative Ben Tison
Charlotte

Senator Robert B. Jordan, III
Mount Gilead

Committee Members:

Representative Allen Adams
Raleigh

Senator Julian R. Allsbrook
Roanoke Rapids

Representative Parks Helms
Charlotte

Senator Joseph J. Harrington
Lewiston

Representative Patricia S. Hunt
Chapel Hill

Senator Donald R. Kincaid
Lenoir

Representative H. Martin Lancaster
Goldsboro

Senator I. Beverly Lake
Raleigh

S. B. 189

CHAPTER 654

AN ACT RELATING TO CIVIL ACTIONS FOR DAMAGES FOR PERSONAL INJURY, DEATH OR DAMAGE TO PROPERTY RESULTING FROM THE USE OF PRODUCTS.

The General Assembly of North Carolina enacts:

Section 1. A new Chapter 99B of the General Statutes is enacted, entitled "Products Liability", to read as follows:

"Chapter 99B.

"Products Liability.

"§ 99B-1. *Definitions.*—When used in this Chapter, unless the context otherwise requires:

(1) 'Product liability action' includes any action brought for or on account of personal injury, death or property damage caused by or resulting from the manufacture, construction, design, formulation, development of standards, preparation, processing, assembly, testing, listing, certifying, warning, instructing, marketing, selling, advertising, packaging or labeling of any product.

(2) 'Manufacturer' means a person or entity who designs, assembles, fabricates, produces, constructs or otherwise prepares a product or component part of a product prior to its sale to a user or consumer, including a seller owned in whole or significant part by the manufacturer or a seller owning the manufacturer in whole or significant part.

(3) 'Seller' includes a retailer, wholesaler, or distributor, and means any individual or entity engaged in the business of selling a product, whether such sale is for resale or for use or consumption. 'Seller' also includes a lessor or bailor engaged in the business of leasing or bailment of a product.

(4) 'Claimant' means a person or other entity asserting a claim and, if said claim is asserted on behalf of an estate, an incompetent or a minor, 'claimant' includes plaintiff's decedent, guardian or guardian *ad litem*.

"§ 99B-2. *Liability of seller.*—(a) No product liability action, except an action for breach of express warranty, shall be commenced or maintained against any seller when the product was acquired and sold by the seller in a sealed container or when the product was acquired and sold by the seller under circumstances in which the seller was afforded no reasonable opportunity to inspect the product in such a manner that would have or should have, in the exercise of reasonable care, revealed the existence of the condition complained of, unless the seller damaged or mishandled the product while in his possession; provided, that the provisions of this section shall not apply if the manufacturer of the product is not subject to the jurisdiction of the courts of this State or if such manufacturer has been judicially declared insolvent.

(b) A claimant who is a buyer, as defined in the Uniform Commercial Code, of the product involved, or who is a member or a guest of a member of the family of the buyer, a guest of the buyer, or an employee of the buyer not covered by workmen's compensation insurance may bring a product liability action directly against the manufacturer of the product involved for breach of implied warranty; and the lack of privity of contract shall not be grounds for the dismissal of such action.

"§ 99B-3. *Alteration or modification of the product.*—(a) No manufacturer or seller of a product shall be held liable in any product liability action where a proximate cause of the personal injury, death or damage to property was either an alteration or modification of the product by a party other than the manufacturer or seller, which alteration or modification occurred after the product left the control of such manufacturer or such seller unless:

- (1) the alteration or modification was in accordance with the instructions or specifications of such manufacturer or such seller; or
- (2) the alteration or modification was made with the express consent of such manufacturer or such seller.

(b) For the purposes of this section, alteration or modification includes changes in the design, formula, function, or use of the product from that originally designed, tested, or intended by the manufacturer. It includes failure to observe routine care and maintenance, but does not include ordinary wear and tear.

APPENDIX C

"§ 99B-4. *Injured parties' knowledge or reasonable care.*—No manufacturer or seller shall be held liable in any product liability action if:

(1) the use of the product giving rise to the product liability action was contrary to any express and adequate instructions or warnings delivered with, appearing on, or attached to the product or on its original container or wrapping, if the user knew or with the exercise of reasonable and diligent care should have known of such instructions or warnings; provided, that in the case of prescription drugs or devices the adequacy of the warning by the manufacturer shall be determined by the prescribing information made available by the manufacturer to the health care practitioner; or

(2) the user discovered a defect or unreasonably dangerous condition of the product and was aware of the danger, and nevertheless proceeded unreasonably to make use of the product and was injured by or caused injury with that product; or

(3) the claimant failed to exercise reasonable care under the circumstances in his use of the product, and such failure was a proximate cause of the occurrence that caused injury or damage to the claimant."

Sec. 2. G.S. 1-50 is amended by adding a new subsection to read:

"(6) No action for the recovery of damages for personal injury, death or damage to property based upon or arising out of any alleged defect or any failure in relation to a product shall be brought more than six years after the date of initial purchase for use or consumption."

Sec. 3. The following amendments are hereby made to General Statutes Chapter 1:

a. G.S. 1-15(b) is repealed.

b. G.S. 1-52 is amended by adding a new subsection to read:

"(16) Unless otherwise provided by statute, for personal injury or physical damage to claimant's property, the cause of action, except in causes of actions referred to in G.S. 1-15(c), shall not accrue until bodily harm to the claimant or physical damage to his property becomes apparent or ought reasonably to have become apparent to the claimant, whichever event first occurs. Provided that no cause of action shall accrue more than 10 years from the last act or omission of the defendant giving rise to the cause of action."

c. G.S. 1-53(4) is hereby rewritten to read as follows:

"(4) Actions for damages on account of the death of a person caused by the wrongful act, neglect or fault of another under G.S. 28A-18-2; the cause of action shall not accrue until the date of death. Provided that, whenever the decedent would have been barred, had he lived, from bringing an action for bodily harm because of the provisions of G.S. 1-15(c) or G.S. 1-52(16), no action for his death may be brought."

Sec. 4. G.S. 1A-1, Rule 8(a)(2), as found in the 1977 Cumulative Supplement to Volume 1A, is amended in line 4 by inserting before the word, "wherein" the following:

"and in all actions against product manufacturers, wholesalers or retailers for recovery of damages for personal injury, death or damage to property based upon or arising out of any alleged defect or any failure in relation to a product,".

Sec. 5. If any provision of this act or the application thereof to any person or circumstances is held invalid by any court of competent jurisdiction, the invalidity shall not affect other provisions or application that can be given effect without the invalid provision or application; and to this end the provisions of this act are severable.

Sec. 6. The provisions of this act shall not be construed to amend or repeal the provisions of G.S. 1-17.

Sec. 7. This act shall not affect pending litigation.

Sec. 8. This act shall become effective October 1, 1979.

In the General Assembly read three times and ratified, this the 28th day of May, 1979.

§ 1-15. Statute runs from accrual of action. — (a) Civil actions can only be commenced within the periods prescribed in this Chapter, after the cause of action has accrued, except where in special cases a different limitation is prescribed by statute.

(b) Repealed by Session Laws 1979, c. 654, s. 3, effective October 1, 1979.

§ 1-50. Six years. — Within six years an action —

(6) No action for the recovery of damages for personal injury, death or damage to property based upon or arising out of any alleged defect or any failure in relation to a product shall be brought more than six years after the date of initial purchase for use or consumption.

§ 1-52. Three years. — Within three years an action —

(5) For criminal conversation, or for any other injury to the person or rights of another, not arising on contract and not hereafter enumerated.

(16) Unless otherwise provided by statute, for personal injury or physical damage to claimant's property, the cause of action, except in causes of actions referred to in G.S. 1-15(c), shall not accrue until bodily harm to the claimant or physical damage to his property becomes apparent or ought reasonably to have become apparent to the claimant, whichever event first occurs. Provided that no cause of action shall accrue more than 10 years from the last act or omission of the defendant giving rise to the cause of action.

§ 1-53. Two years. — Within two years —

(4) Actions for damages on account of the death of a person caused by the wrongful act, neglect or fault of another under G.S. 28A-18-2; the cause of action shall not accrue until the date of death. Provided that, whenever the decedent would have been barred, had he lived, from bringing an action for bodily harm because of the provisions of G.S. 1-15(c) or 1-52(16), no action for his death may be brought.

Rule 8. General rules of pleadings.

(a) *Claims for relief.* — A pleading which sets forth a claim for relief, whether an original claim, counterclaim, crossclaim, or third-party claim shall contain

(1) A short and plain statement of the claim sufficiently particular to give the court and the parties notice of the transactions, occurrences, or series of transactions or occurrences, intended to be proved showing that the pleader is entitled to relief, and

(2) A demand for judgment for the relief to which he deems himself entitled. Relief in the alternative or of several different types may be demanded. Provided, however, in all professional malpractice actions, including actions against health care providers, and in all actions against product manufacturers, wholesalers or retailers for recovery of damages for personal injury, death or damage to property based upon or arising out of any alleged defect or any failure in relation to a product, wherein the matter in controversy exceeds the sum or value of ten thousand dollars (\$10,000), the pleading shall not state the demand for monetary relief, but shall state that the relief demanded is for damages incurred or to be incurred in excess of ten thousand dollars (\$10,000): Provided that at any time after service of claim for relief, any party may make request of claimant for written statement of the amount of monetary relief sought, and claimant shall, within 10 days after service of such request, serve said statement upon the requesting party, provided that said statement shall not be filed with the court until the action has been called for trial or until entry of default is requested. Provided, any statement of "the amount of monetary relief sought" which is served on an opposing party may be amended in the manner and at the time provided by G.S. 1A-1, Rule 15.

§ 25-2-725. Statute of limitations in contracts for sale. — (1) An action for breach of any contract for sale must be commenced within four years after the cause of action has accrued. By the original agreement the parties may reduce the period of limitation to not less than one year but may not extend it.

(2) A cause of action accrues when the breach occurs, regardless of the aggrieved party's lack of knowledge of the breach. A breach of warranty occurs when tender of delivery is made, except that where a warranty explicitly extends to future performance of the goods and discovery of the breach must await the time of such performance the cause of action accrues when the breach is or should have been discovered.

(3) Where an action commenced within the time limited by subsection (1) is so terminated as to leave available a remedy by another action for the same breach such other action may be commenced after the expiration of the time limited and within twelve months after the termination of the first action.

(4) This section does not alter the law on tolling of the statute of limitations nor does it apply to causes of action which have accrued before this chapter becomes effective.

§§ 99B-5 to 99B-9: Reserved for future codification purposes.

§ 99B-10. Immunity for donated food. — (a) Notwithstanding the provisions of Article 12 of Chapter 106 of the General Statutes, or any other provision of law, any person, including but not limited to a seller, farmer, processor, distributor, wholesaler or retailer of food, who donates an item of food for use of distribution by a nonprofit organization or nonprofit corporation shall not be liable for civil damages or criminal penalties resulting from the nature, age, condition, or packaging of the donated food, unless it is established that the donor knew or had reasonable grounds to believe that the food was adulterated as defined in G.S. 106-129 at the time the donor made the gift.

(b) Nothing in this section limits the liability of the donee organization or corporation accepting the food. (1979, 2nd Sess., c. 1188, s. 1.)

H. B. 1311

CHAPTER 979

AN ACT RELATING TO INSURANCE COMPANIES AND PROVIDING FOR THE REPORTING OF CERTAIN PRODUCTS LIABILITY CLAIMS AND OTHER INFORMATION TO THE COMMISSIONER OF INSURANCE, AND AUTHORIZING THE LEGISLATIVE RESEARCH COMMISSION TO STUDY PRODUCTS LIABILITY LAWS.

The General Assembly of North Carolina enacts:

Section 1. Article 2 of the General Statutes Chapter 58 is amended by adding a new section to read:

"§ 58-21.2. Reporting of products liability claims, premiums, and other information.—(a) Every insurance company providing products liability insurance or excess insurance above self-insurance to one or more manufacturers, sellers, or distributors in this State shall file with the Commissioner not later than the first day of June in each year, a report containing the following information for the one-year period ending December 31st of the previous year; provided, however, that information for the period preceding June 30, 1979, need not be reported:

- (1) the total amount of earned premiums received during the year from insureds, resident or located in North Carolina, that are attributable to products liability insurance;
- (2) the total number of policies of insureds, resident or located in North Carolina, for which the insurance company provided products liability insurance;
- (3) the total number of insureds, resident or located in North Carolina, whose products liability insurance coverage the insurance company canceled or refused to renew and the reasons therefor;
- (4) the total number of products liability claims filed during the one-year period, broken down by the type of claims;
- (5) the total amount of reserves for the claims in subdivision (4) of this subsection that remained outstanding at the end of the one-year period;
- (6) the total amount paid in settlement or discharge of the claims in subdivision (4) of this subsection for each type of claims;
- (7) the total amount of outstanding reserves for claims filed in years prior to the one-year period; and
- (8) the total amount of reserves for incurred but not reported losses.

The report shall be in the format established by the Commissioner.

(b) The information contained in the reports required by this section is to be used for internal statistical purposes only."

Sec. 2. The Legislative Research Commission is authorized to study the products liability laws of this State, examine the effects of any 1979 General Assembly changes in the laws, and study the recommendations of the Task Force on Product Liability of the United States Department of Commerce and the availability of product liability insurance in North Carolina.

Sec. 3. The Commission may report the results of its study to the 1981 General Assembly.

Sec. 4. This act is effective upon ratification.

In the General Assembly read three times and ratified, this the 8th day of June, 1979.

