

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2011

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SENATE BILL 738

Short Title: Liability Insurance Required for ABC Permits. (Public)

Sponsors: Senators Goolsby; and Hise.

Referred to: Insurance.

April 20, 2011

1 A BILL TO BE ENTITLED
2 AN ACT TO REQUIRE THAT ANY PERSON OR ESTABLISHMENT THAT HOLDS AN
3 ALCOHOLIC BEVERAGE CONTROL PERMIT HAVE AT LEAST ONE MILLION
4 DOLLARS IN 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.A. Liability insurance required.**

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

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

26 "**§ 18B-123.B. Notification of lapse or cancellation required.**

27 An insurance company that issues a policy to a person who holds ABC permits at an
28 establishment issued pursuant to this Chapter shall notify the Commission within 10 days of the
29 cancellation or lapse of a liability insurance policy issued pursuant to G.S. 18B-123.A."

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

