

April 15, 1999

H 1126. PHYS. CONTRACTS/NONCOMPETE PROHIBITED. TO PROHIBIT

NONCOMPETITION CLAUSES IN MEDICAL PROVIDER CONTRACTS. Adds new GS 58-3-250 making void and unenforceable any covenant or agreement not to compete in an agreement that creates or establishes the terms of a partnership, employment, or other professional relationship with a physician licensed in NC, which includes restriction of the right to practice medicine in any geographical area for any period of time after termination of the relationship. Allows other provisions to be enforced, including any that require payment of damages reasonably related to injury suffered by reason of termination of the agreement, which may include damages related to competition. Applies to covenants or agreements executed or renewed on and after the date the act becomes law.

Intro. by Hackney.

Ref. to Insurance

GS 58

April 27, 1999

H 1126. PHYS.CONTRACTS/NONCOMPETE PROHIBITED. Intro. 4/15/99. House committee substitute makes the following changes to 1st edition. Makes act effective Oct. 1, 1999, and applies to covenants or agreements executed on and after that date; makes technical change.