

April 4, 2001

S 852. INSURANCE FOR PUBLIC WORKS PROJECTS. TO AUTHORIZE THE STATE TO PURCHASE OWNER-CONTROLLED OR WRAP-UP INSURANCE FOR PUBLIC WORKS PROJECTS. Adds new GS 58-31-65 permitting the Dep't of Insurance to purchase various kinds of insurance for state public works projects. Dep't may purchase design and construction insurance or provide for self-insurance against property damage caused by the state, its employees, and its agents. Dep't may purchase workers' compensation and general liability insurance to cover both general and subcontractors on specific construction sites. Dep't may use an owner-controlled or wrap-up program, which is a series of insurance policies issued for general liability purposes and covering the state, its construction managers, its contractors and subcontractors, and its architects and engineers; permits state or state agency to be secondary insured on such a policy. Before the Dep't may use owner-controlled or wrap-up insurance program, following conditions must be met: (1) total cost of project or group of projects is over \$50 million; (2) program maintains completed operations coverage for reasonably commercially available term, but at least three years; (3) bid specifications clearly specify the coverage provided and minimum safety requirements; (4) program does not prohibit contractor or subcontractor from purchasing additional coverage (the cost of which may not be passed through to the state on its contract bid); (5) program does not include surety insurance; and (6) deductible does not exceed \$ 1 million.

Intro. by Hoyle.

Ref. to Insurance	GS 58
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June 11, 2001

SL 2001-167 (S 852). INSURANCE FOR PUBLIC WORKS PROJECTS. AN ACT TO AUTHORIZE THE STATE TO PURCHASE OWNER-CONTROLLED OR WRAP-UP INSURANCE FOR PUBLIC WORKS PROJECTS. Summarized in *Daily Bulletin* 4/4/01. Enacted June 7, 2001. Effective June 7, 2001.