

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2011

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SENATE BILL 738  
PROPOSED COMMITTEE SUBSTITUTE S738-PCS85212-RG-19

Short Title: Liability Insurance Required for ABC Permits.

(Public)

Sponsors:

Referred to:

April 20, 2011

A BILL TO BE ENTITLED

AN ACT TO REQUIRE THAT A PERSON THAT HOLDS CERTAIN ALCOHOLIC BEVERAGE CONTROL PERMITS HAVE AT LEAST ONE MILLION DOLLARS IN LIABILITY INSURANCE.

The General Assembly of North Carolina enacts:

**SECTION 1.** G.S. 18B-123 reads as rewritten:

**"§ 18B-123. Limitation on damages.**

The total amount of damages that may be awarded to all aggrieved parties pursuant to any claims for relief under this Article is limited to no more than ~~five hundred thousand dollars (\$500,000)~~ one million dollars (\$1,000,000) per occurrence. When all claims arising out of an occurrence exceed ~~five hundred thousand dollars (\$500,000)~~, one million dollars (\$1,000,000), each claim shall abate in the proportion it bears to the total of all claims."

**SECTION 2.** Article 1 of Chapter 18B of the General Statutes is amended by adding a new section to read:

**"§ 18B-123A. Liability insurance required.**

A person holding an ABC permit or permits issued pursuant to G.S. 18B-1001(1), (3), (5), and (10) shall maintain in full force and effect a policy of liability insurance in an amount of not less than one million dollars (\$1,000,000). A person that has a lapse in coverage under such policy or cancels a policy required by this section shall have any ABC permits issued to them summarily revoked by the Commission upon notification of such lapse by the policyholder or issuer. The revocation authorized by this section is not subject to the provisions of Chapter 150B of the General Statutes. The requirement of liability insurance under this section does not replace or eliminate any other remedy an aggrieved party may have in the law or at common law."

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

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

An insurance company that issues a policy of liability insurance under G.S. 18B-123A to a person who holds an ABC permit or permits issued pursuant to G.S. 18B-1001(1), (3), (5), and (10) shall notify the Commission within 10 days of the cancellation or lapse of the liability insurance policy."

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

