

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2003**

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SENATE BILL 631

Short Title: Self-Insured Localities.

(Public)

Sponsors: Senator Clodfelter.

Referred to: Commerce.

April 1, 2003

A BILL TO BE ENTITLED

1 AN ACT TO MAKE STATEWIDE AN ACT CURRENTLY APPLICABLE TO
2 CHARLOTTE AND RALEIGH THAT DEEMS THE CREATION OF A
3 SELF-FUNDED RISK PROGRAM AS THE PURCHASE OF INSURANCE FOR
4 THE PURPOSE OF WAIVING GOVERNMENTAL IMMUNITY.
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6 The General Assembly of North Carolina enacts:

7 **SECTION 1.** G.S. 160A-485(a) reads as rewritten:

8 "(a) Any city is authorized to waive its immunity from civil liability in tort by the
9 act of purchasing liability insurance. Participation in a local government risk pool
10 pursuant to Article 23 of General Statute Chapter 58 shall be deemed to be the purchase
11 of insurance for the purposes of this section. Immunity shall be waived only to the
12 extent that the city is indemnified by the insurance contract from tort liability. No
13 formal action other than the purchase of liability insurance shall be required to waive
14 tort immunity, and no city shall be deemed to have waived its tort immunity by any
15 action other than the purchase of liability insurance. If a city uses a funded reserve
16 instead of purchasing insurance against liability for wrongful death, negligence, or
17 intentional damage to personal property, or absolute liability for damage to person or
18 property caused by an act or omission of the city or any of its officers, agents, or
19 employees acting within the scope of their authority and the course of their
20 employment, the city council may adopt a resolution that deems the creation of a funded
21 reserve to be the same as the purchase of insurance under this section. Adoption of such
22 a resolution waives the city's governmental immunity only to the extent specified in the
23 council's resolution, but in no event greater than funds available in the funded reserve
24 for the payment of claims."

25 **SECTION 2.** Section 2 of S.L. 1998-200, as amended by S.L. 2002-79, is
26 repealed, but any resolution adopted under that section and still effective on the
27 effective date of this act shall continue to be valid as if it were adopted under G.S.
28 160A-485(a) as amended by this act.

29 **SECTION 3.** This act is effective when it becomes law.