

MEMORANDUM

TO: Deans, Directors and Department Heads

FROM: Eileen Goldgeier, Vice Chancellor and General Counsel
James R. Semple, Director, Insurance and Risk Management

DATE: August 20, 2012

RE: Defense of State Employees Act and Excess Liability Insurance Policy

NC State University as a State agency and constituent institution of the University of North Carolina self insures for liability. The Defense of State Employees Act, Article 31, Chapter 143 of the North Carolina General Statutes, provides coverage up to a maximum of one million dollars (\$1 million) per claimant for damages awarded in lawsuits or settlements against State employees (as well as volunteers and agents in certain circumstances). This law recognizes that State employees, acting within the course and scope of their job duties, may be named defendants in their individual capacities, as well as in their official capacities, for negligence and allows the University to pay monetary damages entered against them on their behalf. The defense and the indemnification is at the discretion of the Attorney General. Independent contractors are specifically excluded from coverage.

For judgments or settlements in excess of \$1 million, the State maintains an Employees Excess Liability Insurance Policy with limits of ten million dollars (\$10,000,000) per occurrence, twenty-five million dollars (\$25,000,000) annual aggregate with a one million dollar (\$1,000,000) retention per claim, subject to policy terms, conditions, exclusions and limits. The policy provides coverage on an occurrence basis for negligent errors, acts and omissions which are committed by State employees (as well as volunteers and agents in certain circumstances) in the course and scope of their job duties resulting in personal injury or property damage. The premium for this insurance coverage is paid by the University, with no individual cost to University employees. The Policy has been renewed for 2012-13.

The General Counsel is responsible for notifying the Attorney General regarding all potential, threatened and actual claims falling under the Defense of State Employees Act and the Excess Liability Policy. As soon as individuals are aware of such claims, please contact the Office of General Counsel at 919.515.3071 immediately. Time limits exist under the Policy and it is imperative that timely notice is given to preserve coverage and to request a defense. For more information about the Excess Liability Insurance Policy and other university maintained insurance, please contact Insurance and Risk Management at 919.515.6122.