



# SENATE BILL 100: Aerial Adventure Financial Responsibility.

2017-2018 General Assembly

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<b>Committee:</b>	Senate Commerce and Insurance. If favorable, re-refer to Finance. If favorable, re-refer to Rules and Operations of the Senate	<b>Date:</b>	February 23, 2017
<b>Introduced by:</b>	Sens. Lee, Meredith, Ford	<b>Prepared by:</b>	Kristen L. Harris Committee Counsel
<b>Analysis of:</b>	First Edition		

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**OVERVIEW:** *Senate Bill 100 would establish minimum liability insurance requirements for owners of challenge and aerial courses in North Carolina.*

**CURRENT LAW:** North Carolina law does not regulate aerial or challenge courses or require that course and device owners carry liability insurance. Zip lines are excluded from the definition of "amusement device" in the Amusement Device Safety Act (Article 14B of Chapter 95).

**BILL ANALYSIS:** Senate Bill 100 would create a new Article 47 in Chapter 66 [Commerce and Business] of the General Statutes, entitled "Zip Line and Challenge Course Financial Responsibility". The Article would contain mandatory liability insurance requirements for challenge and aerial course owners and authorize the Commissioner of Insurance to enforce those provisions.

**Section 1** would do the following:

- Set forth the definitions that apply in the new Article.
- Require a challenge or aerial course owner or device owner to have liability insurance coverage of at least \$1,000,000 per occurrence and \$2,000,000 in the aggregate for injury to persons or property arising out of the operating of such a facility or device. The contract would not include per person sublimits.
- The Commissioner would have authority to request proof of insurance, and upon failure to provide proof, the Commissioner would have authority to prevent or stop the operation of the facility or device until proof is provided.
- To be acceptable to the Commissioner, the liability insurance policy would have to obligate the insurer to give the insured at least 30 days written notice before any cancellation, suspension, or nonrenewal of the policy. The insured or insured's agent would have to immediately notify the Commissioner upon receipt of notice of cancellation, suspension, or nonrenewal.
- Aerial and challenge courses including zip lines and similar devices installed at a private residence not open to the public for which no fee is charged or that are operated by a government entity solely for law enforcement or military training purposes would not be subject to the requirements in Article 47.

**Section 2** would require the Department of Insurance to adopt permanent and temporary rules to implement the act. The Department would propose permanent rules and adopt temporary rules by January 15, 2018.

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# Senate Bill 100

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**EFFECTIVE DATE:** Section 1 of this act becomes effective June 1, 2018. The remainder of this act is effective when it becomes law.

**BACKGROUND:** The Legislative Research Commission's Committee on Regulatory and Rate Issues in Insurance submitted a report to the members of the 2017 Regular Session of the 2017 General Assembly. The report included findings on challenge and aerial courses. A copy of the Committee's report can be found in the Legislative Library.