



SENATE BILL 100: Aerial Adventure Financial Responsibility.

2017-2018 General Assembly

Committee:	House Insurance. If favorable, re-refer to Regulatory Reform	Date:	June 20, 2017
Introduced by:	Sens. Lee, Meredith, Ford	Prepared by:	Kristen L. Harris
Analysis of:	PCS to Second Edition S100-CSTU-24		Committee Co-Counsel

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

[The PCS makes staff-recommended clarifying and technical changes.]

CURRENT LAW: There are more than 100 locations in North Carolina that offer experiences involving zip lines or other aerial activities. North Carolina law does not regulate zip lines or aerial activities or require course owners to 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: The PCS to 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 zip line owners and operators 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 person that owns or operates a challenge course, zip line, or similar device to have liability insurance coverage of at least \$1,000,000 per occurrence and \$2,000,000 in the aggregate against liability for injury to persons or property arising out of the operation of the facility or device. The contract could not include per person sublimits.
- Provide the Commissioner authority to request proof of insurance and, upon failure to provide proof, prevent or stop the operation of the facility or device until proof is provided.
- Require the liability insurance policy 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 would have to immediately notify the Commissioner upon receipt of such notice.
- Exempt from the insurance requirements challenge courses or zip lines installed at a private residence not open to the public for which no fee is charged as well as those owned or operated by the State, a unit of local government or political subdivisions.
- Require the Commissioner to adopt rules.

EFFECTIVE DATE: The rule making authority becomes effective when the act becomes law. The remainder of this act becomes effective June 1, 2018.

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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 courses and zip lines. A copy of the Committee's report can be found in the Legislative Library.