



SENATE BILL 100: Aerial Adventure Financial Responsibility.

2017-2018 General Assembly

Committee:		Date:	August 14, 2017
Introduced by:		Prepared by:	Kristen L. Harris Staff Attorney
Analysis of:	S.L. 2017-118		

OVERVIEW: *S.L. 2017-118 requires owners and operators of challenge and aerial courses in North Carolina 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 facilities or devices and authorizes the Commissioner of Insurance to enforce those requirements.*

The Commissioner of Insurance became authorized to adopt rules to implement this act on July 18, 2017. The remainder of this act becomes law on June 1, 2018.

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: This act creates a new Article 47 in Chapter 66 [Commerce and Business] of the General Statutes, entitled "Zip Line and Challenge Course Financial Responsibility". The Article contains the following provisions:

- Sets forth the definitions that apply in the new Article.
- Requires 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 cannot include per person sublimits.
- Provides 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.
- Requires 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 has to immediately notify the Commissioner upon receipt of such notice.
- Exempts 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.
- Requires the Commissioner to adopt rules to implement the act.

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

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This bill analysis was prepared by the nonpartisan legislative staff for the use of legislators in their deliberations and does not constitute an official statement of legislative intent.

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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.