

## **MEMORANDUM**

**TO:** Deans, Directors, and Department Heads

**FROM:** David T. Drooz, Interim Vice Chancellor and General Counsel  
James R. Semple Jr, Director, Insurance and Risk Management

**DATE:** August 24, 2009

**SUBJECT:** Employees Excess Liability Insurance

Effective 7/1/09, the Excess Liability Insurance policy which provides liability insurance for University employees (including volunteers and agents in certain situations) has been renewed. The policy limits are \$10,000,000 per occurrence, \$25,000,000 annual aggregate with a \$1,000,000 retention per claim. The premium for this coverage is paid by the University with no individual cost to the employees of NC State University.

The policy is an excess liability policy written on an occurrence basis. It provides coverage for civil errors, acts, and omissions which are committed by state employees in the performance of their job duties which result in bodily injury, property damage, or other losses. The policy pays judgments in excess of the Defense of State Employees Act (\$1,000,000 Tort Claims Limit) subject to the policy terms, conditions, exclusions, and policy limits. For more information related to the policy, contact the Director of Insurance and Risk Management, extension 5-6122.

Article 31, Chapter 143, of the North Carolina General Statutes, The Defense of State Employees Act, is designed to provide coverage up to a maximum of \$1,000,000 per claimant for damages awarded in lawsuits or settlements against State employees. This law recognizes that state employees, while in the course and scope of employment duties, may be named as defendants in their individual capacities, as well as their official capacities, and allows the State to pay damages on their behalf, at the discretion of the Attorney General.

At NC State University, the General Counsel is responsible for providing notice to the Attorney General regarding all potential claims falling under the Defense of State Employees Act and the Excess Liability Policy. Potential claims should be reported to the Office of Legal Affairs at (extension 5-3071) as soon as individuals are aware of them. For more information on the legal aspects of this protection, contact the Office of Legal Affairs.