TYPES AND LIMITS OF INSURANCE

Rule of Law:

As a constituent institution of the University of North Carolina and a state agency, UNCW is a self-insured entity as required by and set forth in state law (N.C.G.S. §143-291, et seq.). The university is not allowed to acquire additional or other insurance except by authorization and procurement by the State Department of Insurance (N.C.G.S. §58-31-55). Subject to and consistent with applicable statutes, coverage under the State's self-insurance program applies to: a) all individuals currently employed by or working for the State and covered by the Defense of State Employees Act; b) authorized volunteers; c) agents of the State; d) individuals previously employed by the State and covered under the Defense of State Employees Act and the policy during their period of employment with the university; and e) individuals employed by UNCW or the University system. Independent contractors are not employees of the State or the university.

Personal liability coverage for university employees is provided in two layers: 1) the State self-insurance program in accordance with the NC Tort Claims Act; and 2) excess liability coverage and limits pursuant to the Defense of State Employees Act. The self-insurance limits are up to $1,000,000 cumulative coverage for all claimants as an aggregate arising from a single covered occurrence. The university is responsible for at least the first $150,000 of a final judgment and may be required to pay the full $1,000,000 at the discretion of the State Budget Director. The excess liability coverage for personal liability is in excess of the $1,000,000 self-insurance to a maximum of $10,000,000 per occurrence and $25,000,000 annual aggregate. The premium for the excess coverage is paid for by the university with no individual cost to UNCW employees.

The Defense of State Employees Act (N.C.G.S. §143-300.3 *et seq*.) recognizes that state employees may be named as defendants in their individual capacities as well as their official capacities, based on their job performance. University officers, employees, and agents (not independent contractors) are provided with personal liability coverage for acts or omissions that occur within the course and scope of their authorized work. These protections are defined by statute as well as the terms of the insurance policy. Exclusions include, but are not limited to, fraud, corruption or actual malice, sexual assault, other criminal acts, immoral acts, and automobiles (coverage provided under motor pool insurance).

Other approved insurance exists for motor pool coverage while driving state vehicles on university business by employees and for study abroad programs. The university also maintains through the State extended insurance coverage for wind, hail, explosion, fire, smoke, and riot. Building contents is determined by the fixed assets report so it is important to keep current locations of fixed assets in the event of a loss.

Risk/Consequences:

Obtaining insurance without the approval of the DOI makes that insurance null and void regardless of whether the university paid for the policy. UNCW's Business Affairs Division has assigned an employee to be the university's authorized agent to deal with DOI. Also, failure to report claims in a timely manner may void any recovery.

Practice Pointers:

1. Promptly report all damage or loss of State property, including vehicle damage, to Business Affairs, financial services office.
2. Promptly report all possible claims involving personal injury or property damage to others within 30 days to the Office of General Counsel.
3. Injuries occurring on the job must be reported to Human Resources immediately and the State worker's compensation insurance is triggered.
4. Insurance is just one form of risk management tool. Consider whether a particular event or program due to its potential risks should require participants to sign liability waivers and releases. Contact the General Counsel's Office for a waiver or release specific to a particular event or program.