

GENERAL ASSEMBLY OF NORTH CAROLINA
1989 SESSION

CHAPTER 183
SENATE BILL 888

AN ACT TO AMEND THE DECLARATORY JUDGMENT ACT TO PROVIDE THAT A CONTROVERSY BETWEEN TWO INSURANCE COMPANIES AS TO EXTENT OF LIABILITY IN A PENDING ACTION IS A JUSTICIABLE ISSUE.

The General Assembly of North Carolina enacts:

Section 1. G.S. 1-257 reads as rewritten:

"§ 1-257. Discretion of court.

The court may refuse to render or enter a declaratory judgment or decree where such judgment or decree, if rendered or entered, would not terminate the uncertainty or controversy giving rise to the ~~proceeding~~ proceeding; provided, however, that a controversy between insurance companies, arising either by direct action or by joinder or intervention, with respect to which of two or more of the insurers is liable under its particular policy and the insurers' respective liabilities and obligations, constitutes a justiciable issue and the court should, upon petition by one or more of the parties to the action, render a declaratory judgment as to the liabilities and obligations of the insurers."

Sec. 2. This act is effective upon ratification and applies to actions brought on or after that date.

In the General Assembly read three times and ratified this the 1st day of June, 1989.