

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2019

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HOUSE BILL 611

Short Title: Amend Rules of Evid./Binding Arbitration. (Public)

Sponsors: Representatives Stevens, Davis, and Zachary (Primary Sponsors).
For a complete list of sponsors, refer to the North Carolina General Assembly web site.

Referred to: Judiciary, if favorable, Rules, Calendar, and Operations of the House

April 8, 2019

1 A BILL TO BE ENTITLED
2 AN ACT TO AMEND THE RULES OF EVIDENCE REGARDING INSURANCE
3 ADMISSIBILITY AND TO ALLOW FOR BINDING ARBITRATION IN CERTAIN
4 CIVIL ACTIONS.

5 The General Assembly of North Carolina enacts:

6 **SECTION 1.** G.S. 8C-1, Rule 414, as enacted by Section 1.1. of S.L. 2011-283, is
7 repealed.

8 **SECTION 2.** G.S. 8C-1, Rule 411 reads as rewritten:

9 **"Rule 411. Liability insurance.**

10 (a) Evidence that a person was or was not insured against liability is not admissible upon
11 the issue whether he acted negligently or otherwise wrongfully. This rule does not require the
12 exclusion of evidence of insurance against liability when offered for another purpose, such as
13 proof of agency, ownership, or control, or bias or prejudice of a witness.

14 (b) Nothing in this rule shall be construed to infer that the term "insurance" as used in
15 this rule, or the introduction of evidence of other forms of "insurance," including health
16 insurance, disability insurance, or other forms of benefits that may be characterized as
17 "insurance," shall be barred by this rule, with the exception of parties introducing evidence of
18 any payments made by insurance under the collateral source rule."

19 **SECTION 3.** Article 5 of Chapter 7A of the General Statutes is amended by adding
20 a new section to read:

21 **"§ 7A-37.2. Binding arbitration in certain civil actions.**

22 (a) In addition to the nonbinding process set forth in G.S. 7A-37.1 and rules adopted by
23 the Supreme Court of North Carolina in accordance with G.S. 7A-37.1(b), any named party to
24 an action may elect binding arbitration when all of the following conditions exist:

25 (1) An admission of negligence by all named defendants to the action that is
26 signed by all named parties.

27 (2) An express limitation by the named party with the burden of proof on damages
28 associated with the action that all alleged damages shall not exceed the amount
29 in controversy set forth in G.S. 7A-243 for district court division of the
30 General Court of Justice.

31 (b) Binding arbitration under this section extinguishes the rights of named plaintiffs to
32 any recovery beyond the insurance coverage limits pertinent to the action."

33 **SECTION 4.** This act is effective when it becomes law and applies to civil actions
34 in litigation or commenced on or after that date.

