

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2019

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HOUSE BILL 611  
Committee Substitute Favorable 4/26/19

Short Title: Amend Rules of Evid./Binding Arbitration.

(Public)

Sponsors:

Referred to:

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 G.S. 8C-1, Rule 414 is repealed.

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

8 "Rule 411. Liability insurance.

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

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

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

20 "§ 7A-37.2. Binding arbitration in certain civil actions.

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

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

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

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

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



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