



# UNC CHARLOTTE

## Office of Risk Management and Insurance

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### MEMORANDUM

**TO:** All University Employees  
**FROM:** Joe Fiorelli  
Director of Risk Management and Insurance  
**DATE:** February 17, 2021  
**SUBJECT:** Excess Liability Coverage for University Employees, Officers, and Agents

Each year the Office of Risk Management and Insurance provides employees with a memorandum about State-provided liability protections for claims against an employee arising from the course of scope of their university work.

University employees, officers, and agents enjoy substantial protection against personal liability for acts or omissions that occur in the performance of their work. These protections are defined by Articles 31 and 31A of Chapter 143 of the North Carolina General Statutes as well as the terms of an excess liability insurance policy applicable to all State employees.

When a claim is made against a State employee, the Attorney General (or counsel authorized by the Attorney General) provides legal defense. The Attorney General may refuse to provide defense under certain very limited circumstances, such as when the claim was not within the course and scope of the employee's State employment or the act or omission resulted from the employee's fraud, corruption, or actual malice. When the Attorney General provides or approves legal defense of a State employee, the State agency for which the employee works is required by statute to pay up to **\$1,000,000** of any final judgment that may be rendered against the employee.

The State of North Carolina purchases an excess liability insurance policy that provides all State employees with supplementary coverage beyond the **\$1,000,000** paid directly by the employee's State agency. Under the renewed insurance contract negotiated by the North Carolina Department of Insurance, the coverage limits are as follows:

**\$1,000,000 for tort claims against the State**  
**\$2,000,000 per employee**  
**\$5,000,000 aggregate for claims against state employees**

Of course, the insurance policy described here, like all insurance policies, is subject to certain limitations and exclusions. However, any such limitations and exclusions apply only to the excess liability coverage and not to the **\$1,000,000** statutory protection provided to all State employees.

If you have questions about the State's excess liability coverage or would like to review a copy of the excess liability insurance policy, please contact the [Office of Risk Management and Insurance](#).